THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Capital Industrial Financial Services Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

首惠产融

首 惠 產 業 金 融 服 務 集 團 有 限 公 司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

(I) PROPOSED SHARE CONSOLIDATION; (II) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial Adviser and Placing Agent

邁時金融 MAXA FINANCIAL

Placing Agent

華泰國際 HUATAI INTERNATIONAL

Independent Financial Adviser

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED

浤 博 資 本 有 限 公 司

A letter from the Board is set out on pages 11 to 47 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 48 to 49 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 50 to 81 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from 28 September 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from 12 October 2026 to 20 October 2026 (both days 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 12 October 2026 to 20 October 2026 (both days inclusive) will accordingly 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 5th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on 8 September 2026 at 11:00 a.m. is set out on pages SGM-1 to SGM-4 of this circular. Whether you are able to attend the SGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. no later than 6 September 2026 at 11:00 a.m.) for the SGM or any adjournment thereof (as the case may be). Submission of a proxy form shall not preclude you from attending the SGM (or any adjournment of such meeting) and voting in person should you so wish.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares and the ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES 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.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

21 August 2026

* *For identification purpose only*

CONTENTS

EXPECTED TIMETABLE

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

Events	Time and date
Latest date and time for lodging transfer documents in order for the transferees to qualify for attending and voting at SGM	4:30 p.m. on 1 September 2026
Closure of register of members for determining the entitlement to attend and vote at the SGM (both dates inclusive).	2 September 2026 to 8 September 2026
Latest date and time for lodging the proxy form for the SGM	11:00 a.m. on 6 September 2026
Record date for determining entitlements to attend and vote at the SGM	8 September 2026
Expected date and time of the SGM to approve the Share Consolidation and the Rights Issue	11:00 a.m. on 8 September 2026
Publication of announcement of poll results of the SGM	8 September 2026
Re-opening of the register of members of the Company	9 September 2026

The following events are conditional upon the results of the SGM and therefore the dates are tentative only.

Effective date of the Share Consolidation	10 September 2026
Commencement of dealings in the Consolidated Shares	9:00 a.m. on 10 September 2026
Original counter for trading in Existing Shares in board lots of 1,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on 10 September 2026
Temporary counter for trading in Consolidated Shares in board lots of 20 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on 10 September 2026

EXPECTED TIMETABLE

Events	Time and date
First day for free exchange of existing share certificates into new share certificates for the Consolidated Shares	10 September 2026
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on 24 September 2026
Original counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on 24 September 2026
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates for the Consolidated Shares) commences	9:00 a.m. on 24 September 2026
Last day of dealings in Consolidated Shares on a cum-rights basis relating to the Rights Issue	25 September 2026
First day of dealings in Consolidated Shares on an ex-rights basis relating to the Rights Issue	28 September 2026
Latest date and time for lodging transfer documents of the Consolidated Shares in order for the transferees to qualify for the Rights Issue	4:30 p.m. on 29 September 2026
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	30 September 2026 to 7 October 2026
Record Date for determining entitlements for the Rights Issue	7 October 2026
Re-opening of the register of members of the Company	8 October 2026
Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders (in the case of the Excluded Shareholders, the Prospectus only)	8 October 2026

Events	Time and date
First day of dealings in nil-paid Rights Shares (in the board lot size of 1,000 Rights Shares)	12 October 2026
Latest time for splitting the PALs	4:30 p.m. on 14 October 2026
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on 15 October 2026
Temporary counter for trading Consolidated Shares in board lots of 20 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on 15 October 2026
Parallel trading in Consolidated Shares (in the form of both existing share certificates and new share certificates for the Consolidated Shares) ends	4:10 p.m. on 15 October 2026
Last day of dealings in nil-paid Rights Shares	20 October 2026
Latest date and time for free exchange of existing share certificates for the new share certificate of the Consolidated Shares	4:00 p.m. on 20 October 2026
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on 23 October 2026
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on 23 October 2026
Announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Placing	26 October 2026
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and ES Unsold Rights Shares available)	27 October 2026
Latest time for placing of Unsubscribed Rights Shares and ES Unsold Rights Shares (if any)	4:00 p.m. on 2 November 2026

Events	Time and date
Latest time for the Rights Issue and placing of Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	4:00 p.m. on 3 November 2026
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	4 November 2026
Despatch of share certificates of fully-paid Rights Shares and/or refund cheques, if any, in respect of wholly or partially unsuccessful applications	5 November 2026
First day of dealings in fully-paid Rights Shares in the new board lots of 1,000 Rights Shares commence	6 November 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	12 November 2026

Note: All times and dates in this timetable refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

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

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 23 October 2026. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 23 October 2026. 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.

If the Latest Time for Acceptance does not take place at 4:00 p.m. on 23 October 2026, the dates mentioned in the expected timetable may be affected. The Company will notify the Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

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

"Announcement"	the announcement of the Company dated 14 July 2026 in relation to, among other things, the Share Consolidation, the Rights Issue and the Placing
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the Board of Directors
"Business Day(s)"	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Capital Industrial Financial Services Group Limited (首惠產業金融服務集團有限公司), an exempted company incorporated in Bermuda with limited liability whose issued shares are listed on the Stock Exchange (stock code: 730)
"Compensatory Arrangements"	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed "Procedures in respect of the Unsubscribed Rights Shares and ES Unsold Rights Shares and the Compensatory Arrangements" in this circular
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Share(s)"	ordinary shares of par value HK$0.50 each in the share capital of the Company after the Share Consolidation becoming effective
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"ES Unsold Rights Share(s)"	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company

"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Executive"	has the meaning ascribed to it under the Takeovers Code
"Existing Share(s)"	ordinary share(s) of par value HK$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, which has been established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder and as to voting
"Independent Financial Adviser"	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder and as to voting at the SGM
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and any of its connected persons

"Irrevocable Undertaking"	the irrevocable undertaking provided by Wheeling Holdings Limited and Jingxi Holdings Limited as set out in the paragraph headed "Irrevocable Undertaking" in the letter from the Board contained in this circular
"Jingxi Holdings Limited"	a company incorporated in Hong Kong, which is a substantial shareholder of the Company holding approximately 10.12% of the Company as at the Latest Practicable Date
"Last Trading Day"	14 July 2026, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
"Latest Practicable Date"	4:00 p.m. on 19 August 2026 or such later time or date as may be determined by the Company, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
"Latest Time for Acceptance"	4:00 p.m. on 23 October 2026 or such later time or date as may be determined by the Company, being the latest time for acceptance of and payment for the Rights Shares as described in the Prospectus Documents
"Latest Time for Termination"	4:00 p.m. on 3 November 2026, being the latest time to terminate the Placing Agreements
"Listing Committee"	has the meaning ascribed to it in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and ES Unsold Rights Shares placed by the Placing Agents and/or their sub-placing agent(s) under the Placing Agreements) under the Compensatory Arrangements
"No Action Shareholders"	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Excluded Shareholders (if any)

"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong, if any
"PAL(s)"	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placing"	the offer by way of private placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agents and/or their sub-placing agent(s), who and whose ultimate beneficial owners shall not be Shareholder(s) and shall be Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreements
"Placing Agent I"	Maxa Asset Management Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
"Placing Agent II"	Huatai Financial Holdings (Hong Kong) Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
"Placing Agents"	Placing Agent I and Placing Agent II
"Placing Agreement I"	the placing agreement dated 14 July 2026 entered into between the Company and Placing Agent I in relation to the Placing
"Placing Agreement II"	the placing agreement dated 14 July 2026 entered into between the Company and Placing Agent II in relation to the Placing
"Placing Agreements"	Placing Agreement I, Placing Agreement II, Supplemental Placing Agreement I and Supplemental Placing Agreement II
"Placing Period"	the period commencing from 27 October 2026 and ending at 4:00 p.m. on 2 November 2026
"PRC"	the People's Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Prospectus"	the prospectus to be issued by the Company to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	the Prospectus and PAL
"Prospectus Posting Date"	8 October 2026 or such other date as may be determined by the Company, being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
"Public Float Requirement"	the public float requirement under Rule 8.08(1) and Rule 13.32B of the Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
"Record Date"	7 October 2026 or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue
"Registrar"	Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Issue"	the proposed issue by way of rights on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
"Rights Share(s)"	up to 79,078,774 Consolidated Shares to be allotted and issued pursuant to the Rights Issue
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held at 5th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on 8 September 2026 at 11:00 a.m. for the purpose of considering, and, if thought fit, approving, among other things, the Share Consolidation, the Rights Issue and the respective transactions contemplated thereunder

"Share(s)"	the Existing Share(s) or as the context may require, the Consolidated Share(s)
"Share Consolidation"	the proposed consolidation of every fifty (50) Existing Shares in issue into one (1) Consolidated Share
"Shareholder(s)"	holder(s) of issued Share(s) or the Consolidated Share(s) as the case may be
"Shougang Group"	Shougang Group Co., Ltd., a company established in the PRC, being the holding company of Wheeling Holdings Limited and Jingxi Holdings Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$6.25 per Rights Share
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Supplemental Placing Agreement I"	the supplemental placing agreement dated 21 August 2026 entered into between the Company and Placing Agent I in relation to the Placing
"Supplemental Placing Agreement II"	the supplemental placing agreement dated 21 August 2026 entered into between the Company and Placing Agent II in relation to the Placing
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Takeovers Waiver"	the waiver granted by the Executive pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in respect of the obligation of Jingxi Holdings Limited to make a general offer for the Shares which may otherwise arise as a result of the transfer of the nil-paid rights from Wheeling Holdings Limited to Jingxi Holdings Limited and the acceptance of the Rights Shares by Jingxi Holdings Limited
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights
"Wheeling Holdings Limited"	a company incorporated in the Independent State of Samoa, which is the controlling shareholder of the Company holding approximately 51.23% of the Company as at the Latest Practicable Date
"%"	per cent.

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CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

Executive Directors:
Ms. Sun Yajie *(Chairman)*
Ms. Fu Yao *(Managing Director)*

Non-executive Directors:
Mr. Huang Donglin
Mr. Zhang Dan

Independent non-executive Directors:
Mr. Tam King Ching, Kenny
Mr. Ng Man Fung, Walter
Ms. On Danita

Registered office:
Victoria Place, 5/F.
31 Victoria Street
Hamilton HM 10
Bermuda

21 August 2026

To the Shareholders

Dear Sir or Madam,

(I) PROPOSED SHARE CONSOLIDATION; AND (II) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

Reference is made to the Announcement.

* *For identification purpose only*

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Consolidation, the Rights Issue and the Placing Agreements and the respective transactions contemplated thereunder; (ii) the recommendation of 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; (iv) other information required under the Listing Rules; and (v) a notice convening the SGM.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every fifty (50) Existing Shares in issue be consolidated into one (1) Consolidated Share.

CONDITIONS OF THE SHARE CONSOLIDATION

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

(i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;

(ii) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under Bermuda laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the fulfillment of the conditions of the Share Consolidation, the Share Consolidation is expected to become effective on 10 September 2026, being the second Business Day immediately after the SGM. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Effects of the Share Consolidation

As at the Latest Practicable Date, 3,953,938,703 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no change in the number of Shares in issue from the Latest Practicable Date until the effective date of the Share Consolidation, there will be 79,078,774 Consolidated Shares in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other. Other than the relevant expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Other securities of the Company

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a designated broker to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on 24 September 2026 to 4:00 p.m. on 15 October 2026. Shareholders who wish to take advantage of this facility should contact First Securities (HK) Limited at Room 1708-1710, 17/F, China Insurance Group Bldg., 141 Des Voeux Road Central, Hong Kong (telephone number (852) 2528 1723 or by facsimile at (852) 2529 8134) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation having become effective, Shareholders may, during the period from 10 September 2026 to 4:00 p.m. on 20 October 2026 (both days inclusive), submit the existing share certificates for the Existing Shares to the Registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be in purple colour in order to distinguish them from the existing share certificates in blue colour.

Listing Application

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

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

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

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" above. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK$0.01 or HK$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2026 has further stated that (i) market price of the Shares at a level less than HK$0.1 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK$1,000.

As at the Latest Practicable Date, the closing price per Existing Share is HK$0.118, which was close to the lower trading extremity as referred to under Rule 13.64 of the Listing Rules. The Board considers that the proposed Share Consolidation, resulting in the theoretical closing price of HK$5.9 per Consolidated Share and board lot value of HK$5,900 (based on the current closing price of HK$0.118 per Existing Share as at the Latest Practicable Date) will enable the Company to comply with the trading requirements under the Listing Rules.

It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Board believes that it will enhance the corporate image of the Company so as to make investing in the Consolidated Shares more attractive to a broader range of investors and other members of the investing public. In addition, the Share Consolidation is expected to decrease the overall transaction and handling costs of trading in the Shares as a percentage of the market value of each board lot, since most of the banks or securities houses will charge a minimum transaction cost for each securities trade.

In view of the above reasons, the Company considers the proposed Share Consolidation to be justifiable notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

As at the Latest Practicable Date, save for the proposed Rights Issue, the Company has no plan or intention to carry out any equity and/or other corporate actions which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next twelve (12) months. However, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

PROPOSED RIGHTS ISSUE

The Company proposes subject to, among other things, the Share Consolidation becoming effective, to raise gross proceeds of up to approximately HK$494.2 million (assuming full subscription under the Rights Issue and no change in the number of Consolidated Shares in issue on or before the Record Date) by way of a rights issue of up to 79,078,774 Rights Shares at the Subscription Price of HK$6.25 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date. Details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$6.25 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	3,953,938,703 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective	:	79,078,774 Consolidated Shares
Maximum number of Rights Shares	:	Up to 79,078,774 Rights Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Maximum number of Consolidated Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	158,157,548 Consolidated Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

Gross proceeds from the Rights Issue	:	Up to approximately HK$494.2 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	Up to approximately HK$488.2 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$6.17 per Rights Share
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As at the Latest Practicable Date, the Group has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Existing Shares or Consolidated Shares.

Assuming no change in the number of issued Consolidated Shares on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 79,078,774 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the issued share capital of the Company immediately upon completion of the Share Consolidation; and (ii) 50% of the issued share capital of the Company after completion of the Share Consolidation and as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

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 ES Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agents under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES 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 and no minimum amount is required to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder or transferee of nil-paid Rights Shares who applies to take up all or part of his/her/its entitlement under the PAL(s) or nil-paid Rights Shares may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, save for the application by Jingxi Holdings Limited pursuant to the Irrevocable Undertaking to the extent covered by the Takeovers Waiver, the Rights Issue will be made on terms that the Company will provide for the Shareholders and transferees of nil-paid Rights Shares to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder or transferee of nil-paid Rights Shares (except for HKSCC Nominees Limited) under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder or transferee of nil-paid Rights Shares to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules, unless a waiver from such obligation has been granted by the Executive; and (ii) does not result in the Company's non-compliance with the Public Float Requirement. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

Irrevocable Undertaking

As at the Latest Practicable Date, the Board has received an Irrevocable Undertaking from Wheeling Holdings Limited and Jingxi Holdings Limited, which are in aggregate interested in 2,425,736,972 Existing Shares (representing approximately 61.35% of all issued Shares) as at the Latest Practicable Date.

Pursuant to the Irrevocable Undertaking, Wheeling Holdings Limited will transfer all the nil-paid rights to which it is entitled to Jingxi Holdings Limited before the Latest Time for Acceptance. Jingxi Holdings Limited will accept and pay for (i) the Rights Shares provisionally allotted to it under the Rights Issue; and (ii) the Rights Shares arising from the nil-paid rights transferred by Wheeling Holdings Limited to Jingxi Holdings Limited, and Wheeling Holdings Limited and Jingxi Holdings Limited agreed not to sell or transfer the Shares held by each of them in any manner before the completion or lapse of the Rights Issue. As the acceptance and subscription for the Rights Shares by Jingxi Holdings Limited pursuant to the Irrevocable Undertaking may otherwise give rise to an obligation on the part of Jingxi Holdings Limited and parties acting in concert with it to make a mandatory general offer under Rule 26.1 of the Takeovers Code, an application has been made to the Executive for the Takeovers Waiver. Based on the information provided and representations made in the application, the Executive has granted the Takeovers Waiver pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code.

Accordingly, the application by Jingxi Holdings Limited pursuant to the Irrevocable Undertaking will not be scaled down solely for the purpose of avoiding the triggering of a general offer obligation under the Takeovers Code to the extent covered by the Takeovers Waiver. However, such application will remain subject to scale-down to the extent necessary to ensure that the Company will comply with the Public Float Requirement.

Although the Rights Issue is not subject to any minimum subscription level, based on the Irrevocable Undertaking from Wheeling Holdings Limited and Jingxi Holdings Limited to accept an aggregate of 48,514,739 Rights Shares and assuming no scale-down is required, the Company expects to raise gross proceeds of approximately HK$303.2 million, subject to the Rights Issue becoming unconditional and the Irrevocable Undertaking remaining in full force and effect. If the scale-down mechanism is triggered, the number of Rights Shares to be allotted and issued pursuant to the Irrevocable Undertaking and the gross proceeds to be raised by the Company will be reduced accordingly, and any subscription monies not utilised due to such scale-down will be refunded to the affected applicant(s).

As at the Latest Practicable Date, save for the Irrevocable Undertaking, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Subscription Price

The Subscription Price is HK$6.25 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a premium of approximately 5.93% to the theoretical closing price of HK$5.900 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.118 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 0.81% over the theoretical closing price of HK$6.200 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.124 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 1.26% to the theoretical average closing price of approximately HK$6.330 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK$0.127 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 1.34% to the theoretical average closing price of approximately HK$6.335 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK$0.127 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a premium of approximately 0.40% over the theoretical ex-rights price of approximately HK$6.225 per Consolidated Share (after taking into account the effect of the Share Consolidation), based on the theoretical closing price of HK$6.200 per Consolidated Share (after taking into account the effect of the Share Consolidation, based on the closing price of HK$0.124 per Existing Share as quoted on the Stock Exchange on the Last Trading Day);

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 1.10%, represented by the theoretical diluted price of approximately HK$6.320 per Consolidated Share to the theoretical benchmarked price of HK$6.390 per Consolidated Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.124 per Existing Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of the Announcement of approximately HK$0.128 per Existing Share); and

(vii) a discount of approximately 65.82% to the consolidated net asset value per Consolidated Share attributable to the Shareholders as at 31 December 2025 of approximately HK$18.28 (calculated based on the consolidated net asset value of the Company as at 31 December 2025 of approximately HK$1,445.83 million as set out in the annual report of the Company for the year ended 31 December 2025 and the total number of issued Consolidated Shares after the Share Consolidation, which will be 79,078,774).

The Subscription Price was determined by the Company with reference to (i) the prevailing market conditions; (ii) the prevailing market price of the Shares; (iii) the Group's funding needs and capital requirements for its intended business development and potential acquisition or investment opportunities; and (iv) the reasons and benefits of the Rights Issue as discussed in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" below in this circular.

Although the Subscription Price represents a discount of approximately 65.82% to the consolidated net asset value per Consolidated Share, the theoretical closing price on the Last Trading Day also represented a similar discount of approximately 66.1%. As the Subscription Price is slightly higher than such theoretical closing price, the discount to the net asset value broadly reflects the discount at which the Shares were trading on the Last Trading Day, rather than an additional discount offered under the Rights Issue. The Board also considers that setting the Subscription Price materially above the prevailing market price may reduce the attractiveness of the Rights Issue and discourage Shareholders from participating. Given that the Rights Issue is offered to all Qualifying Shareholders on a pro rata basis and Qualifying Shareholders who do not wish to subscribe may sell their nil-paid rights in the market, the Board considers that the Subscription Price is fair and reasonable notwithstanding its discount to the consolidated net asset value per Consolidated Share.

The Board considers, despite the potential dilution impact of the proposed Rights Issue on the shareholding of the Shareholders, the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; and (ii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Qualifying Shareholders

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send the Prospectus (without the PAL) to the Excluded Shareholders for their information only. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be an Excluded Shareholder.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Consolidated Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. (Hong Kong time) on 29 September 2026.

The last day of dealing in the Consolidated Shares on cum-rights basis is 25 September 2026. The Consolidated Shares will be dealt with on an ex-rights basis from 28 September 2026.

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

Rights of Overseas Shareholders

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue. The Company will send the Prospectus (without the PAL) to the Excluded Shareholders for their information only. For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the SGM.

The Company notes the requirements specified in the notes to Rule 13.36(2)(a) of the Listing Rules, and is in the process of making reasonable enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders present on the Record Date. If, after such enquiries, the Company is of the opinion that it would be necessary or expedient, on account of the legal restrictions or prohibitions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory body or stock exchange in such jurisdictions, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Such Overseas Shareholders will be regarded as Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid pro rata to the Excluded Shareholder(s). The Company will retain individual amounts of HK$100 or less for the benefit of the Company.

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 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.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) Consolidated Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

No fractional entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Consolidated Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, 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 5 November 2026. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before 5 November 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 14 July 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreements with the Placing Agents in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to the independent placees on a best effort basis.

Pursuant to the Placing Agreements, the Company has appointed the Placing Agents to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realized will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agents will, on a best effort basis, procure, by not later than 4:00 p.m. on 2 November 2026, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares. Any Unsubscribed Rights Shares and the ES 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.

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

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

B. the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefits.

Placing Agreement I for the Unsubscribed Rights Shares and the ES Unsold Rights Shares

Principal terms of the Placing Agreement I, which is supplemented by the Supplemental Placing Agreement I, are as follows:

Issuer	:	The Company
Placing Agent I	:	Maxa Asset Management Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, was appointed as the Placing Agent I to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period. The Placing Agent I confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder(s); and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from 27 October 2026 and ending at 4:00 p.m. on 2 November 2026.

Service fee and expenses	:	Subject to completion of the Placing, the Company shall pay to the Placing Agent I a placing service fee in Hong Kong Dollars, equal to 2% of the gross placing proceeds successfully raised (being the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent I and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreement I.
Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares shall be not less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or Accounting and Financial Reporting Council levy as may be payable). The final price determination will depend on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the placement process.
Placees	:	The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and none of the placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other placees. The Placing will not have 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. The Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.

Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the Consolidated Shares in issue and be free and clear from all encumbrances and with all rights attached thereto on and after the date of their allotment and as at the date of completion of the Rights Issue, including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares, the record date of which shall fall on or after the date of completion of the Placing.
Conditions of the Placing Agreement I	:	The obligations of the Placing Agent I under the Placing Agreement I are conditional upon, among others, the following conditions being fulfilled: (i) 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 customary conditions) and such approval not having been withdrawn or revoked; (ii) the Share Consolidation having become effective; (iii) the passing of all necessary resolutions to be proposed at the SGM to be convened to consider and approve, among others, the Share Consolidation, the Rights Issue and the respective transactions contemplated thereunder; (iv) all necessary consents and approvals to be obtained on the part of the Placing Agent I and the Company in respect of the Placing Agreement I, the Rights Issue and the transactions contemplated thereunder having been obtained on or before the Latest Time for Termination, and the Latest Time for Acceptance having passed such that the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares has been ascertained;

(v) none of the representations, warranties or undertakings contained in the Placing Agreement I 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 I; and

(vi) the Placing Agreement I not having been terminated in accordance with the provisions thereof.

Save for condition (v) 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 conditions precedent have not been fulfilled or waived (as the case may be) on or before the Latest Time for Termination (or such later date as may be agreed between the Placing Agent I and the Company in writing), the Placing will lapse and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach thereof.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the approvals from the Board and the board of directors of the Placing Agent I authorising the entering into of the Placing Agreement I, there were no consents and approvals as mentioned in condition (iv) above being required to be obtained by the Placing Agent I and/or the Company in respect of the Placing Agreement I and the transactions contemplated thereunder.

As at the Latest Practicable Date, none of the above conditions has been fulfilled or waived (as the case may be).

Termination : Notwithstanding anything contained in the Placing Agreement I, the Placing Agent I may terminate the Placing Agreement I without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent I, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the ES Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement I if there develops, occurs or comes into force:

(a) 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 I) 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 I's reasonable opinion would affect the success of the Placing; or

(b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise (except for any temporary suspension of trading pending the publication of any information relating to the Rights Issue and the Placing Agreement I) and which in the Placing Agent I's absolute opinion, would affect the success of the Placing; or

(c) 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 I's absolute 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

(d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent I's absolute opinion would affect the success of the Placing; or

(e) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement I having come to the knowledge of the Placing Agent I or any event having occurred or any matter having arisen on or after the date of the Placing Agreement I and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement I 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 I; or

(f) 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 I would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Taking into account the terms set out above and the factors set out in the section headed "Basis of the placing service fee" below, including that (i) the Placing Agent I is engaged on a best effort basis to procure independent placees at a placing price of not less than the Subscription Price; and (ii) the placing service fee is payable only upon completion of the Placing and is calculated solely by reference to the gross placing proceeds successfully raised by the Placing Agent I, the Directors consider that the terms and conditions of the Placing Agreement I, including the placing service fee, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Placing Agreement II for the Unsubscribed Rights Shares and ES Unsold Rights Shares

Principal terms of the Placing Agreement II, which is supplemented by the Supplemental Placing Agreement II, are summarised as follows:

Issuer	:	The Company
Placing Agent II	:	Huatai Financial Holdings (Hong Kong) Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, was appointed as the Placing Agent II to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period. Placing Agent II confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder(s); and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from 27 October 2026 and ending at 4:00 p.m. on 2 November 2026.
Service fee and expenses	:	Subject to completion of the Placing, the Company shall pay to the Placing Agent II a placing service fee in Hong Kong Dollars, equal to 2% of the gross placing proceeds successfully raised (being the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent II and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreement II.

Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be not less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or Accounting and Financial Reporting Council levy as may be payable). The final price determination will depend on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the process of placement.
Placees	:	The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and none of the placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other placees. The Placing will not have 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. The Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.
Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the Consolidated Shares in issue and be free and clear from all encumbrances and with all rights attached thereto on and after the date of their allotment and as at the date of completion of the Rights Issue, including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares, the record date of which shall fall on or after the date of completion of the Placing.

Conditions of the Placing Agreement II : The obligations of the Placing Agent II under the Placing Agreement II are conditional upon, among others, the following conditions being fulfilled:

(i) 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 customary conditions) and such approval not having been withdrawn or revoked;

(ii) the Share Consolidation having become effective;

(iii) the passing of all necessary resolutions to be proposed at the SGM to be convened to consider and approve, among others, the Share Consolidation, the Rights Issue and the respective transactions contemplated thereunder;

(iv) all necessary consents and approvals to be obtained on the part of the Placing Agent II and the Company in respect of the Placing Agreement II, the Rights Issue and the transactions contemplated thereunder having been obtained on or before the Latest Time for Termination, and the Latest Time for Acceptance having passed such that the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares has been ascertained;

(v) none of the representations, warranties or undertakings contained in the Placing Agreement II 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 II; and

(vi) the Placing Agreement II not having been terminated in accordance with the provisions thereof.

Save for condition (v) 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 conditions precedent have not been fulfilled or waived (as the case may be) on or before the Latest Time for Termination (or such later date as may be agreed between the Placing Agent II and the Company in writing), the Placing will lapse and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach thereof.

Termination : Notwithstanding anything contained in the Placing Agreement II, the Placing Agent II may terminate the Placing Agreement II without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent II, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the ES Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement II if there develops, occurs or comes into force:

(a) 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 II) 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 II's reasonable opinion would affect the success of the Placing; or

(b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise (except for any temporary suspension of trading pending the publication of any information relating to the Rights Issue and the Placing Agreement II) and which in the Placing Agent II's absolute opinion, would affect the success of the Placing; or

(c) 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 II's absolute 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

(d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent II's absolute opinion would affect the success of the Placing; or

(e) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement II having come to the knowledge of the Placing Agent II or any event having occurred or any matter having arisen on or after the date of the Placing Agreement II and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement II 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 II; or

(f) 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 II would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Taking into account the terms set out above and the factors set out in the section headed "Basis of the placing service fee" below, including that (i) the Placing Agent II is engaged on a best effort basis to procure independent placees at a placing price of not less than the Subscription Price; and (ii) the placing service fee is payable only upon completion of the Placing and is calculated solely by reference to the gross placing proceeds successfully raised by the Placing Agent II, the Directors consider that the terms and conditions of the Placing Agreement II, including the placing service fee, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of the placing service fee

The engagements between the Company and the Placing Agents in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the service fee payable) were determined after arm's length negotiation between the Company and the respective Placing Agents with reference to, among other things, the size of the Rights Issue, the scope of services to be provided, the prevailing market conditions and recent comparable rights issue transactions published by companies listed on the Main Board of the Stock Exchange since 1 April 2026 up to the Last Trading Day. Among the comparable transactions reviewed, 15 transactions charged a percentage placing fee ranging from approximately 0.25% to 3.5%, with an average of approximately 1.81% and a median of approximately 1.5%. Accordingly, the placing service fee of 2.0% falls within the market range and is broadly in line with the average placing service fee under such comparable transactions.

As explained above, the Unsubscribed Rights Shares and the ES Unsold Rights Shares will be placed by the Placing Agents and/or their sub-placing agent(s) to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole:

(i) the arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and ES Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The service fee payable to the Placing Agents and the related fees and expenses in relation to such placing will be borne by the Company;

(ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by the licensed placing agents which are subject to the stringent code of conduct over, among others, pricing and allocation of the placing shares. The terms and the conditions of the Placing Agreements (including the placing service fee) are normal commercial terms, and are in the best interests of the Company and the Shareholders as a whole; and

(iii) the Compensatory Arrangements provide a mechanism for the Company to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees and, where a premium over the Subscription Price is realised, enable the relevant No Action Shareholders, including the Excluded Shareholders, to receive the Net Gain attributable to them.

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 their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges other than the Stock Exchange.

Rights Shares will be eligible for admission into CCASS

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation 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, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

(a) the passing of all the necessary resolution(s) at the SGM to be convened to consider and approve, among others, the Share Consolidation, the Rights Issue and the respective transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Shareholders or the Independent Shareholders (as the case may be);

(b) no applications for Rights Shares by any Shareholders or transferee of nil-paid Rights Shares which would result in (a) a general offer obligation as required under the Takeovers Code being triggered, other than any application covered by the Takeovers Waiver or any other waiver granted by the Executive, or (b) the public float of the Company to decrease to below 25% of the total issued Shares, shall be allowed, and in such circumstance, the relevant applications for Rights Shares will be scaled down and subscription monies not utilised due to such scale down application will be refunded to the affected applicant(s);

(c) the Share Consolidation having become effective;

(d) the delivery to the Stock Exchange for authorisation 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 authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) 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 Prospectus Posting Date;

(e) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

(f) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms;

(g) the Placing Agreements not having been terminated in accordance with the provisions thereof, including force majeure events;

(h) the Takeovers Waiver granted by the Executive remaining valid and not having been withdrawn or revoked prior to completion of the Rights Issue; and

(i) compliance with the requirements under the applicable laws and regulations of Bermuda.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. As at the Latest Practicable Date, none of the above conditions has been satisfied.

CLOSURE OF REGISTER OF MEMBERS FOR SGM

The register of members of the Company will be closed from 2 September 2026 to 8 September 2026 (both days inclusive) for determining the Shareholders' entitlements to attend and vote at the SGM. No transfer of Shares will be registered during the above book closure period.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from 30 September 2026 to 7 October 2026 (both dates inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

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

The Company is an investment holding company. The principal activities of the Group are the provision of sale and leaseback arrangements services, property leasing services and supply chain management and financial technology business.

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be approximately HK$494.2 million and the relevant expenses would be approximately HK$6.0 million. The net price per Rights Share is expected to be approximately HK$6.17. Accordingly, the maximum net proceeds (after deducting the estimated expenses) of the Rights Issue are estimated to be approximately HK$488.2 million.

The Company intends to apply the net proceeds from the Rights Issue as follows:

(i) approximately 50%, representing approximately HK$244.1 million, for funding potential strategic acquisition or investment opportunities in companies or businesses which are similar and/or complementary to the Group's existing principal businesses, including businesses engaged in commercial factoring and related supply chain finance services, supply chain management services, financial technology services, financial leasing, equipment leasing, property leasing and/or related asset management or business service solutions. Potential targets may include operating platforms or businesses possessing relevant business qualifications, accounts receivable or other supply-chain-related assets, customer and industry networks, digital service platforms, risk management capabilities and/or experience in providing financing and related services to upstream and downstream enterprises along relevant industrial chains.

    As at the Latest Practicable Date, the Company has identified two potential acquisition or investment targets, both being companies established in the PRC. One of the potential targets is held by a member of the group of the Company's controlling shareholder and is principally engaged in commercial factoring and related supply chain finance services, including accounts receivable financing, management, collection and settlement. The other potential target is a company in which members of the group of the Company's controlling shareholder collectively hold a substantial equity interest and is principally engaged in financial leasing and industry-finance services relating to robotics and intelligent manufacturing equipment, including financial leasing, operating leasing, sale and leaseback, term leasing and related services. The potential acquisitions or investments are expected to broaden the Group's customer and industry coverage, deepen its service coverage along relevant industrial chains and enable it to provide more comprehensive supply chain finance, financial leasing and business service solutions.

The Company is currently evaluating the feasibility of the potential acquisitions or investments, including conducting preliminary assessments of the potential targets and considering their respective valuations, transaction structures and funding arrangements. As at the Latest Practicable Date, no definitive terms have been agreed and no legally binding agreement has been entered into in respect of either potential target. Subject to satisfactory due diligence, further assessment and negotiations, the Company aims to enter into a legally binding agreement in respect of one or both potential acquisitions or investments within 12 months after the Latest Practicable Date. The Company will comply with the applicable requirements under Chapters 14 and 14A of the Listing Rules as and when appropriate.

If the Company is unable to proceed with either or both of the potential acquisitions or investments referred to above, or if a more suitable acquisition or investment opportunity is identified, the Company will continue to identify and evaluate alternative targets which are similar and/or complementary to the Group's existing principal businesses. Such targets are expected to possess relevant business qualifications, assets, customer and industry networks and/or operating capabilities, have an expected transaction value of more than HK$50 million and be principally established and operating in the PRC.

(ii) approximately 35%, representing approximately HK$170.9 million, for the development and expansion of the Group's principal businesses, comprising:

(a) approximately 20% of the net proceeds, representing approximately HK$97.6 million, for potential financial leasing and equipment leasing projects for customers in the medical, robotics and other relevant industrial supply chains. The Group intends to explore leasing projects involving medical and healthcare equipment, industrial robots, automation and smart manufacturing equipment, logistics equipment and other technology-related equipment. In such projects, the Group will act as a provider of leasing and financing solutions and does not intend to engage in the manufacture or operation of the underlying equipment. Such projects are expected to expand the Group's leasing portfolio, broaden its customer base and the types of equipment covered by its leasing services, and generate additional leasing income; and

(b) approximately 15% of the net proceeds, representing approximately HK$73.2 million, for expanding the Group's supply chain management and service solutions, with a focus on upstream and downstream enterprises along the medical and robotics supply chains, and developing integrated service offerings which combine its supply chain management and financial technology capabilities. Such service offerings may include enhanced digital supply chain management, transaction and settlement support, information management and risk monitoring solutions for upstream and downstream customers along relevant industrial chains. To support such business development, the Group will also enhance its operational, risk management and technology capabilities. Such development is expected to deepen the Group's service coverage, strengthen customer relationships, develop additional sources of service income and improve its operating efficiency and risk control; and

(iii) approximately 15%, representing approximately HK$73.2 million, for replenishing the general working capital of the Group, including payment of staff costs, administrative and operating expenses, professional fees, rental and office expenses, and other general corporate purposes.

The Board considers that the above allocation represents a balanced approach between acquisition-led and organic growth. The allocation of 50% of the net proceeds to potential acquisitions or investments was determined with reference to the preliminary funding requirements and expected scale of the potential acquisition or investment opportunities being considered by the Company. Acquiring or investing in established businesses with existing operating platforms, customer and industry networks, accounts receivable management, equipment leasing and risk management capabilities may enable the Group to expand its service capabilities and customer base within a shorter period of time than developing such capabilities solely through organic growth. At the same time, the allocation of 35% of the net proceeds to the development and expansion of the Group's principal businesses will provide resources for the Group's organic development.

In the event that the Rights Issue is not fully subscribed and the actual net proceeds raised are lower than expected, the Company intends to apply the actual net proceeds in substantially the same proportions as set out above to the extent practicable. If the actual net proceeds are substantially lower than expected, the Company will give priority to the potential strategic acquisition or investment opportunities referred to in item (i) above and the replenishment of general working capital, and may adjust the timing and/or scale of the development and expansion of the Group's existing product and service offerings referred to in item (ii) above as appropriate. The Company may finance any shortfall by internal resources, bank borrowings and/or other financing alternatives, subject to market conditions and the financial position of the Group at the relevant time.

If either or both of the potential acquisitions or investments referred to in item (i) above do not materialise and no other suitable strategic acquisition or investment opportunity is identified, or if the actual funding requirement for such opportunities is lower than expected, the Company intends to reallocate the relevant unutilised proceeds to the development and expansion of the Group's principal businesses referred to in item (ii) above and/or the replenishment of general working capital, subject to compliance with the applicable requirements under the Listing Rules.

Subject to completion of the Rights Issue and the progress of the relevant projects and potential acquisitions or investments, the Company expects to utilise all the net proceeds from the Rights Issue by 31 December 2027.

Funding needs of the Group

According to the Company's annual report for the year ended 31 December 2025, the Group's total assets amounted to approximately HK$1,888.0 million as at 31 December 2025, of which approximately HK$1,074.1 million were current assets. The current assets mainly comprised receivables under credit financing arrangements of approximately HK$451.1 million, cash and cash equivalents of approximately HK$305.5 million, receivables under sale and leaseback arrangements of approximately HK$222.4 million and trade receivables of approximately HK$64.6 million. Given that a significant portion of the Group's current assets comprised receivables arising from its existing businesses, the Board considers that the Rights Issue will provide the Group with additional financial resources to implement its proposed business development plan while retaining sufficient resources for its existing operations and working capital requirements.

In the event that the Rights Issue is not fully-subscribed, as at the Latest Practicable Date, the Company has no plan or intention to conduct other fundraising activities in the next twelve (12) months. However, the Board cannot rule out the possibility that the Company may conduct further debt and/ or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

Rights Issue as the preferred fund raising activity of the Group

The Board has considered various ways of raising funds and believes that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Although the Group currently has a relatively low gearing ratio, debt financing would nevertheless increase the Group's indebtedness and result in additional interest expenses, fixed repayment obligations and, depending on the terms of the relevant financing, possible financial covenants and/or security requirements. The Board considers that debt financing may not be the most appropriate financing method for the Group's current funding needs, as the Rights Issue would enable the Group to strengthen its capital base and maintain financial flexibility without increasing its debt burden. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. As for open offer, while it is similar to a rights issue and allows Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Board (excluding the Independent non-executive Directors who will give their view after taking into consideration of the advice of the Independent Financial Adviser) considers that the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

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; (ii) immediately upon completion of the Share Consolidation; (iii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iv) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholders (other than Wheeling Holdings Limited and Jingxi Holdings Limited pursuant to the Irrevocable Undertaking) and the Unsubscribed Rights Shares and the ES Unsold Rights Shares have been placed by the Placing Agents, for illustration purposes only:

	As at the Latest Practicable Date		Immediately upon completion of the Share Consolidation		Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholders (other than Wheeling Holdings Limited and Jingxi Holdings Limited pursuant to the Irrevocable Undertaking) and the Unsubscribed Rights Shares and the ES Unsold Rights Shares have been placed by the Placing Agents	
	No. of issued shares	*%*	*No. of issued shares*	*%*	*No. of issued shares*	*%*	*No. of issued shares*	*%*
Shareholders								
Wheeling Holdings Limited *(Note 3)*	2,025,736,972	51.23%	40,514,739	51.23%	40,514,739	25.62%	40,514,739	25.62%
Jingxi Holdings Limited *(Note 3 and 4)*	400,000,000	10.12%	8,000,000	10.12%	56,514,739	35.73%	56,514,739	35.73%
Public Shareholders *(Note 2)*	1,528,201,731	38.65%	30,564,035	38.65%	61,128,070	38.65%	30,564,035	19.33%
Independent placees	–	–	–	–	–	–	30,564,035	19.32%
	3,953,938,703	100.00%	79,078,774	100.00%	158,157,548	100.00%	158,157,548	100.00%

Notes:

1. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

2. For illustrative purposes, the number of Consolidated Shares held by the public Shareholders immediately upon completion of the Share Consolidation is calculated by deducting the 40,514,739 Consolidated Shares held by Wheeling Holdings Limited and the 8,000,000 Consolidated Shares held by Jingxi Holdings Limited from the total of 79,078,774 Consolidated Shares in issue. This assumes that any whole Consolidated Shares arising from the aggregation of fractional entitlements will, if possible, be sold to Independent Third Parties who will be regarded as public Shareholders under the Listing Rules. Accordingly, such Consolidated Shares are included in the shareholding of the public Shareholders.

3. Pursuant to the Irrevocable Undertaking, Wheeling Holdings Limited will transfer all the nil paid rights to which it is entitled to Jingxi Holdings Limited before the Latest Time for Acceptance.

4. The Executive has granted the Takeovers Waiver pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in respect of the obligation of Jingxi Holdings Limited to make a general offer for the Shares which may otherwise arise as a result of the transfer of the nil-paid rights from Wheeling Holdings Limited to Jingxi Holdings Limited and the acceptance of the Rights Shares by Jingxi Holdings Limited.

5. Assuming the independent placees are Independent Third Parties, the independent placees are expected to be regarded as public Shareholders. Accordingly, the aggregate public float of the Company under this illustrative scenario would be approximately 38.65%.

The public float requirement under Rule 13.32B of the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 13.32B of the Listing Rules.

For illustration only, if no Qualifying Shareholder other than Jingxi Holdings Limited subscribes for Rights Shares pursuant to the Irrevocable Undertaking and no Unsubscribed Rights Shares or ES Unsold Rights Shares are successfully placed under the Compensatory Arrangements, the application by Jingxi Holdings Limited pursuant to the Irrevocable Undertaking will be scaled down to the extent necessary to ensure that the Public Float Requirement will be complied with immediately upon completion of the Rights Issue. Based on the Company's existing issued share capital and assuming no change in the number of Shares in issue on or before the Record Date, the maximum number of Rights Shares to be allotted and issued under the Irrevocable Undertaking in such scenario would be approximately 43,177,366 Rights Shares, and the gross proceeds to be raised therefrom would be approximately HK$269.9 million, subject to confirmation by the Company and the Registrar.

FUND RAISING EXERCISE IN THE PAST 12 MONTHS

The Company had not conducted any other equity fund-raising activities in the past twelve months immediately prior to the Latest Practicable Date.

LISTING RULES IMPLICATIONS

Given that 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 by way of poll at the SGM 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, Wheeling Holdings Limited and Jingxi Holdings Limited are the controlling shareholders. Wheeling Holdings Limited holds 2,025,736,972 Shares (representing approximately 51.23% of the total issued Shares of the Company) in its capacity as beneficial owner. And Jingxi Holdings Limited holds 400,000,000 Shares (representing approximately 10.12% of the total issued Shares of the Company) in its capacity as beneficial owner. As such, Wheeling Holdings Limited and Jingxi Holdings Limited shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the SGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors and the chief executive of the Company and their respective associates is interested in any Shares as at the Latest Practicable Date. Save as disclosed above, no Shareholders, Directors, chief executive of the Company and their respective associates are required under the Listing Rules to abstain from voting in favour of the resolution approving the Rights Issue at 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.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreements and the transaction contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Placing Agreements and the transaction contemplated thereunder and therefore no Director is required to abstain from voting on the Board resolution(s) of the Company to approve the Placing Agreements and the transactions contemplated thereunder. The Placing Agreements and the transaction contemplated thereunder are approved by the Board.

GENERAL

The SGM will be convened for the Shareholders and the Independent Shareholders (as the case may be) to consider and, if thought fit, approve the Share Consolidation, the Rights Issue and the respective transactions contemplated thereunder. The register of members of the Company will be closed from 2 September 2026 to 8 September 2026 (both days inclusive) for determining the Shareholders' entitlements to attend and vote at the SGM. No transfer of Shares will be registered during the above book closure period.

In order to be registered as a member of the Company on the record date to qualify to attend and vote at the SGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by 4:30 p.m. (Hong Kong time) on 1 September 2026.

The Company will make available the Prospectus Documents containing, among other things, the details of the Rights Issue, including procedures for acceptance of the Rights Shares and other information of the Group, and PAL(s) to the Qualifying Shareholders on or before 8 October 2026. The Company may, to the extent reasonably practicable and legally permitted and subject to the results of the enquiries made by the Company from such legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any).

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares are expected to be dealt in on an ex-rights basis from 28 September 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from 12 October 2026 to 20 October 2026 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed "Conditions of the Rights Issue" in this circular above.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

RECOMMENDATIONS

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Tam King Ching, Kenny, Mr. Ng Man Fung, Walter and Ms. On Danita has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM, taking into account the advice from the Independent Financial Adviser. Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities 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, in particular, as to whether the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 48 to 49 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 50 to 81 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors consider that the proposed Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution approving the Share Consolidation to be proposed at the SGM. Further, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution approving the Rights Issue to be proposed at the SGM.

ADDITIONAL INFORMATION

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

For and on behalf of
Capital Industrial Financial Services Group Limited
Sun Yajie
Chairman

首惠产融

首 惠 產 業 金 融 服 務 集 團 有 限 公 司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

21 August 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE

We refer to the circular of the Company dated 21 August 2026 (the "**Circular**") of which this letter forms part. Unless otherwise defined, Capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 50 to 81 of the Circular.

* *For identification purpose only*

Your attention is also drawn to the letter from the Board set out on pages 11 to 47 of the Circular. Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages 48 to 49 of the Circular, we are of the opinion that the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Rights Issue.

Yours faithfully,
For and on behalf of The Independent Board Committee of
Capital Industrial Financial Services Group Limited
Mr. Tam King Ching, Kenny **Mr. Ng Man Fung, Walter** **Ms. On Danita**
Independent non-executive Directors

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder which has been prepared for the purpose of inclusion in this circular.

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

21 August 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED 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 proposed Rights Issue, the Placing Agreements and the transactions contemplated thereunder, 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 21 August 2026 (the "**Circular**"), of which this letter forms a part of. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

With reference to the Letter from the Board, the Board proposes to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$6.25 per Rights Share, to raise gross proceeds of up to approximately HK$494.2 million (assuming full subscription under the Rights Issue) by issuing up to 79,078,774 Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholder(s) (if any).

There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten. Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Listing Rules Implications

Given that 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 by way of poll at the SGM 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, Wheeling Holdings Limited and Jingxi Holdings Limited are the controlling shareholders. Wheeling Holdings Limited holds 2,025,736,972 Shares (representing approximately 51.23% of the total issued Shares of the Company) in its capacity as beneficial owner. And Jingxi Holdings Limited holds 400,000,000 Shares (representing approximately 10.12% of the total issued Shares of the Company) in its capacity as beneficial owner. As such, Wheeling Holdings Limited and Jingxi Holdings Limited shall abstain from voting in favour of the proposed resolution approving the Rights Issue at 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.

Independent Board Committee

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Tam King Ching, Kenny, Mr. Ng Man Fung, Walter and Ms. On Danita, has been established to provide recommendations to the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. We have been appointed as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to (i) a very substantial acquisition and continuing connected transaction in respect of renewal of the master facilities agreement and a continuing connected transaction in respect of the technology license agreement, details of which are set out in the circular of the Company dated 9 October 2024; (ii) a very substantial acquisition and continuing connected transaction in respect of the finance lease master agreement, details of which are set out in the circular of the Company dated 9 October 2024; (iii) the revision of annual caps and renewal of major transaction and continuing connected transactions in relation to the master services agreement and revision of annual caps of very substantial acquisition and continuing connected transactions in relation to the 2024 master facilities agreement, details of which are set out in the circular dated 3 September 2025; and (iv) the continuing connected transactions in relation to the EMC master procurement agreement and the steel master procurement agreement, details of which are set out in the circular of the Company dated 23 October 2025. Other than that, there was no other engagement between the Group and us in the last two years. Apart from normal professional fees paid or payable to us in connection with the aforesaid engagements and this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Rights Issue. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the annual reports of the Company for the years ended 31 December 2024 and 2025 (the "**2024 Annual Report**" and "**2025 Annual Report**", respectively); (ii) the Announcement; (iii) the information and facts contained or referred to in the Circular; (iv) the information supplied by the Group; (v) the opinions expressed by and the representations of the Directors and the management of the Group; and (vi) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date.

Shareholders will be informed by the Group and us as soon as possible if there is any material change to the information disclosed in this Circular during the period from the Latest Practicable Date up to the date of the SGM, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of (i) sale and leaseback arrangement services; (ii) supply chain management and financial technology services; and (iii) property leasing services.

Set out below is a summary of the financial information of the Group for the three years ended 31 December 2025 ("**FY2023**", "**FY2024**" and "**FY2025**", respectively) as extracted from the 2024 Annual Report and the 2025 Annual Report:

(i) Financial performance

	FY2023	**FY2024**	**FY2025**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)
Total revenue	**219,285**	**191,635**	**155,575**
– Revenue under sale and leaseback arrangements	188,021	157,495	53,322
– Revenue from supply chain management and financial technology business	26,845	29,976	98,008
– Property leasing income	4,419	4,164	4,245
Gross profit	**120,355**	**118,854**	**80,756**
Other income	18,580	20,535	31,921
Other gains, net	3,323	2,920	–
Administrative expenses	(61,235)	(55,593)	(58,277)
Changes in fair value of investment properties	(3,192)	(14,436)	(20,315)
Changes in fair value of financial assets at fair value through profit or loss	267	108	–
(Impairment losses)/Reversal of impairment losses on financial assets	(24,905)	(22,071)	25,518
Finance costs	(1,307)	(659)	(721)
Share of profit/(loss) of an associate	2,055	4,712	(4,008)
Profit before income tax	**53,941**	**54,370**	**54,874**
Income tax expense	(11,507)	(16,722)	(16,787)
Profit attributable to the Shareholders	**32,082**	**28,684**	**29,261**

FY2025 compared to FY2024

Revenue of the Group decreased by approximately 18.8% from approximately HK$191.6 million for FY2024 to approximately HK$155.6 million for FY2025, primarily attributable to the decrease in revenue under sale and leaseback arrangements by approximately HK$104.2 million, mainly due to the Group's change in business direction and dedicated more resources from individual customers to corporate customers under such segment. As the Group has focused on securing and maintaining corporate customers with higher gross profit margins to better control risk, the number and size of customers under sale and leaseback arrangements business segment has decreased, leading to the decreased revenue for FY2025. Such decrease was partially offset by the increase in revenue from supply chain management and financial technology business by approximately HK$68.0 million, mainly due to the increase in the number of registered suppliers in the Shougang SCF Platform from 3,788 suppliers to 5,605 suppliers.

The Group's gross profit decreased by approximately 32.1% from approximately HK$118.9 million for FY2024 to approximately HK$80.8 million for FY2025, which was in line with the decrease in revenue.

Despite the decrease in revenue and gross profit as mentioned above, the Group's profit attributable to the Shareholders increased by approximately 2.0% from approximately HK$28.7 million for FY2024 to approximately HK$29.3 million for FY2025, primarily attributable to (a) the increase in other income by approximately HK$11.4 million mainly due to the increase in credit financing arrangement income from a related party; and (b) the change from impairment losses on financial assets of approximately HK$22.1 million for FY2024 to reversal of impairment losses on financial assets of approximately HK$25.5 million for FY2025.

FY2024 compared to FY2023

Revenue of the Group decreased by approximately 12.6% from approximately HK$219.3 million for FY2023 to approximately HK$191.6 million for FY2024, primarily attributable to the decrease in revenue under sale and leaseback arrangements by approximately HK$30.5 million, mainly due to the Group's change in business direction and dedicated more resources from individual customers to corporate customers under such segment. As the Group has focused on securing and maintaining corporate customers with higher gross profit margins to better control risk, the number and size of customers under sale and leaseback arrangements business segment has decreased, leading to the decreased revenue for FY2024.

Despite the decrease in revenue as mentioned above, the Group's gross profit remained stable at approximately HK$118.9 million for FY2024, as compared to that of approximately HK$120.4 million for FY2023, primarily attributable to the increase in gross profit margin from approximately 54.9% for FY2023 to approximately 62.0% for FY2024. Such increase in gross profit margin was mainly due to the significant efforts taken by the Group on the cost control under sales and leaseback arrangements segment.

The Group's profit attributable to the Shareholders decreased by approximately 10.6% from approximately HK$32.1 million for FY2023 to approximately HK$28.7 million for FY2024, primarily attributable to (a) the increase in fair value losses of investment properties by approximately HK$11.2 million; and (b) the increase in income tax expense by approximately HK$5.2 million.

(ii) Financial position

	As at 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)
Non-current assets, including:	**515,130**	**624,742**	**813,814**
Investment properties	116,096	99,758	81,247
Interests in an associate	84,851	86,337	85,140
Receivables under sale and leaseback arrangements	229,214	358,308	562,796
Current assets, including:	**1,399,571**	**1,243,280**	**1,074,140**
Receivables under sale and leaseback arrangements	889,811	566,938	222,390
Receivables under credit financing arrangement	165,386	377,580	451,129
Cash and cash equivalents	319,054	282,810	305,475
Total assets	**1,914,701**	**1,868,022**	**1,887,954**
Current liabilities, including:	**129,465**	**115,229**	**79,863**
Other payables and accruals	109,682	100,360	61,797
Non-current liabilities, including:	**28,736**	**21,749**	**22,124**
Loan from a related party	9,810	16,274	16,685
Deferred tax liabilities	13,454	3,577	2,876
Total liabilities	**158,201**	**136,978**	**101,987**
Equity attributable to the Shareholders	**1,415,922**	**1,394,912**	**1,445,826**

As at 31 December 2025, total assets of the Group amounted to approximately HK$1,888.0 million, mainly composed of (a) investment properties of approximately HK$81.2 million, representing the Group's residential and commercial property units located in Hong Kong and the PRC; (b) receivables under sale and leaseback arrangements of approximately HK$785.2 million; (c) receivables under credit financing arrangement of approximately HK$451.1 million; and (d) cash and cash equivalents of approximately HK$305.5 million.

As at 31 December 2025, total liabilities of the Group amounted to approximately HK$102.0 million, mainly composed of (a) other payables and accruals of approximately HK$61.8 million; and (b) loan from a related party of approximately HK$16.7 million.

As at 31 December 2025, the Group recorded equity attributable to the Shareholders of approximately HK$1,445.8 million with gearing ratio (being loan from a related party divided by total equity) of approximately 0.9%.

2. Reasons for the Rights Issue and use of proceeds

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue are expected to be approximately HK$494.2 million and the relevant expenses would be approximately HK$6.0 million. The net price per Rights Share is expected to be approximately HK$6.17. Accordingly, the maximum net proceeds (after deducting the estimated expenses) of the Rights Issue are estimated to be approximately HK$488.2 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

(i) approximately HK$244.1 million or 50% of the net proceeds for funding potential strategic acquisition or investment opportunities in companies or businesses which are similar and/or complementary to the Group's existing principal businesses, including businesses engaged in commercial factoring and related supply chain finance services, supply chain management services, financial technology services, financial leasing, equipment leasing, property leasing and/or related asset management or business service solutions. Potential targets may include operating platforms or businesses possessing relevant business qualifications, accounts receivable or other supply-chain-related assets, customer and industry networks, digital service platforms, risk management capabilities and/or experience in providing financing and related services to upstream and downstream enterprises along relevant industrial chains.

(ii) approximately HK$170.9 million or 35% of the net proceeds for the development and expansion of the Group's principal businesses, comprising:

(a) approximately 20% of the net proceeds, representing approximately HK$97.6 million, for potential financial leasing and equipment leasing projects for customers in the medical, robotics and other relevant industrial supply chains. The Group intends to explore leasing projects involving medical and healthcare equipment, industrial robots, automation and smart manufacturing equipment, logistics equipment, medical and healthcare equipment and other technology-related equipment. In such projects, the Group will act as a provider of leasing and financing solutions and does not intend to engage in the manufacture or operation of the underlying equipment. Such projects are expected to expand the Group's leasing portfolio, broaden its customer base and the types of equipment covered by its leasing services, and generate additional leasing income; and

(b) approximately 15% of the net proceeds, representing approximately HK$73.2 million, for expanding the Group's supply chain management and service solutions, with a focus on upstream and downstream enterprises along the medical and robotics supply chains, and developing integrated service offerings which combine its supply chain management and financial technology capabilities. Such service offerings may include enhanced digital supply chain management, transaction and settlement support, information management and risk monitoring solutions for upstream and downstream customers along relevant industrial chains. To support such business development, the Group will also enhance its operational, risk management and technology capabilities. Such development is expected to deepen the Group's service coverage, strengthen customer relationships, develop additional sources of service income and improve its operating efficiency and risk control; and

(iii) approximately HK$73.2 million or 15% of the net proceeds for replenishing the general working capital of the Group, including payment of staff costs, administrative and operating expenses, professional fees, rental and office expenses, and other general corporate purposes.

In the event that the Rights Issue is not fully subscribed and the actual net proceeds raised are lower than expected, the Company intends to apply the actual net proceeds in substantially the same proportions as set out above to the extent practicable. If the actual net proceeds are substantially lower than expected, the Company will give priority to potential strategic acquisition or investment opportunities referred to in item (i) above and the replenishment of general working capital, and may adjust the timing and/or scale of the development and expansion of the Group's existing product and service offerings referred to in item (ii) above as appropriate. The Company may finance any shortfall by internal resources, bank borrowings and/or other financing alternatives, subject to market conditions and the financial position of the Group at the relevant time. If either or both of the potential acquisitions or investments referred to in item (i) above do not materialise and no other suitable strategic acquisition or investment opportunity is identified, or if the actual funding requirement for such opportunities is lower than expected, the Company intends to reallocate the relevant unutilised proceeds to the development and expansion of the Group's principal businesses referred to in item (ii) above and/or the replenishment of general working capital, subject to compliance with the applicable requirements under the Listing Rules. Subject to completion of the Rights Issue and the progress of the relevant projects and potential acquisitions or investments, the Company expects to utilise all the net proceeds from the Rights Issue by 31 December 2027.

As advised by the management of the Group, the Company has been exploring potential acquisition or investment opportunities, including companies or businesses principally engaged in commercial factoring and related supply chain finance services, supply chain management services, financial technology services, financial leasing, equipment leasing, property leasing and/or related asset management or business service solutions. Potential targets may include operating platforms or businesses possessing relevant business qualifications, accounts receivable or other supply-chain-related assets, customer and industry networks, digital service platforms, risk management capabilities and/or experience in providing financing and related services to upstream and downstream enterprises along relevant industrial chains. According to China Lianhe Credit Rating Co., Ltd. (source: https://www.lhratings.com/file/g307a69bb33.pdf), driven by the increasing scale of corporate accounts receivable and the slower collection period, the demand for factoring services has grown a lot and the factoring services industry possesses great market potential. According to Grand View Research (source: https://www.grandviewresearch.com/horizon/outlook/factoring-services-market/china), the Chinese factoring services market generated a revenue of approximately US$577.8 million in 2025 and is expected to reach approximately US$1,706.4 million by 2033, represent a compound annual growth rate ("**CAGR**") of approximately 14.5% during the period. In addition, accordingly to Fortune Business Insights (source: https://www.fortunebusinessinsights.com/finance-lease-market-114623), the global finance lease market size was valued at approximately US$238.1 billion in 2025 and projected to grow from approximately US$250.8 billion in 2026 to approximately US$431.0 billion by 2034, exhibiting a CAGR of approximately 7.0% during the period. The market in Asia Pacific is estimated to reach approximately US$69.4 billion in 2025 and secure the position with highest growth rate of approximately 8.1% during forecast years. As disclosed in the 2025 Annual Report, subject to the effective risk management, the Group has been proactively exploring for business expansion and exploring new opportunities through prudent strategic deployment, including but not limited to vertical or horizontal integration. As such, potential acquisitions or investments in the abovementioned sectors would be broadly in line with the Group's overall development strategy, as they may enable the Company to expand its supply chain finance and related service offerings, while leveraging its existing technology platform and operational expertise, and develop more comprehensive industry-finance and asset-based service solutions along the relevant industrial chains. As at the Latest Practicable Date, the Company has identified two potential acquisition or investment targets, both being companies established in the PRC. One of the potential targets is held by a member of the group of the Company's controlling shareholder and is principally engaged in commercial factoring and related supply chain finance services, including accounts receivable financing, management, collection and settlement. The other potential target is a company in which members of the group of the Company's controlling shareholder collectively hold a substantial equity interest and is principally engaged in financial leasing and industry-finance services relating to robotics and intelligent manufacturing equipment, including financial leasing, operating leasing, sale and leaseback, term leasing and related services. The potential acquisitions or investments are expected to broaden the Group's customer and industry coverage, deepen its service coverage along relevant industrial chains and enable it to provide more comprehensive supply chain finance, financial leasing and business service solutions. The Company is currently evaluating the feasibility of the potential acquisitions or investments, including conducting preliminary assessments of the potential targets and considering their respective valuations, transaction structures and funding arrangements. As at the Latest Practicable Date, no definitive terms have been agreed and no legally binding agreement has been entered into in respect of either potential target. Subject to satisfactory due diligence, further assessment and negotiations, the Company aims to enter into a legally binding agreement in respect of one or both potential acquisitions or investments within 12 months after the Latest Practicable Date. The Company will comply with the applicable requirements under Chapters 14 and 14A of the Listing Rules as and when appropriate. If the Company is unable to proceed with either or both of the potential acquisitions or investments referred to above, or if a more suitable acquisition or investment opportunity is identified, the Company will continue to identify and evaluate alternative targets which are similar and/or complementary to the Group's existing principal businesses. Such targets are expected to possess relevant business qualifications, assets, customer and industry networks and/or operating capabilities, have an expected transaction value of more than HK$50 million and be principally established and operating in the PRC. Having considered the above, the Company's intention to use approximately HK$244.1 million of the net proceeds for funding potential strategic acquisition or investment opportunities is considered to be reasonable.

Taking into account that (i) the financial leasing industry is capital intensive. This business model inherently demands massive initial capital outlays, continuous liquidity management, and high leverage. Thus, developing new business line in this industry by the Company itself can be slow, risky, and cost-prohibitive; and (ii) acquiring established portfolios provides immediate access to specialized infrastructure, technical expertise, and existing customer networks, avoiding the lengthy lead times required to build out these capabilities organically, we consider that the acquisition-led expansion is a prudent strategic deployment.

In addition, the Group intends to apply approximately HK$170.9 million or 35% of the net proceeds for the development and expansion of its principal businesses, primarily being its financial leasing business and supply chain management and financial technology business. In respect of financial leasing business, we have reviewed the 2025 Annual Report and noted that in response to the adjustment of its business direction, the Group has transformed toward the low-consumption and low-carbon business director of high-end manufacturing and dedicated more resources on corporate customers. The Group and Shougang Group have entered into a revised master loan facility agreement and an EMC finance lease master facilities agreement with an aggregate principal amount of up to RMB3.2 billion and RMB3.4 billion, respectively. As at 31 December 2025, the Group's receivables under sale and leaseback arrangements and receivables under credit financing arrangement amounted to approximately HK$785.2 million and HK$451.1 million, respectively. Although the Group recorded cash balance of approximately HK$305.5 million as at 31 December 2025, we understood from the management of the Group that financial leasing providers are inherently capital intensive. As a company principally engaged in financial leasing business, the Company must maintain immense balance sheet capacity, meet strict regulatory capital requirements and hold massive cash to fund potential projects and assets from time to time. We concur with the Directors that the nature of financial leasing business requires continuous funds to support the growing financing facilities and customers demand from time to time for generating income. In view of the above, allocating approximately 20% of the net proceeds for potential financial leasing and equipment leasing projects is beneficial for the Group's continuous operation and development of its financial leasing business.

With reference to a research paper titled "Research on the Current Situation of Financial Leasing ABS and Its Risk of Basic Assets" (source: https://www.researchgate.net/publication/336975653_Research_on_the_Current_Situation_of_Financial_Leasing_ABS_and_Its_Risk_of_Basic_Assets), financial leasing is a capital-intensive industry: the subject matter of financial leasing often involves multiple industry sectors, the model is more complicated, the project capital demand is large, the business period is basically more than three years, and there is a great demand for large and long-term funds. Therefore, the sustainable and healthy development of financial leasing companies must be supported by reliable and long-term financial support. In addition, according to Fitch Ratings (source: https://www.fitchratings.com/research/non-bank-financial-institutions/chinas-stricter-rules-for-financial-leasing-companies-will-drive-sector-consolidation-14-01-2024), on 5 January 2024, the National Administration of Financial Regulation published a consultation paper revising the rules governing financial leasing companies. The paper introduces new measures on capital, leverage and liquidity management of supervisee lessors and targets to improve the sector's corporate governance and risk management practices, including increasing the minimum registered capital from RMB100 million to RMB1 billion, imposing new liquidity requirement, adding two new requirements on capital adequacy and leverage (i.e. mandating Tier 1 capital to cover at least 6% of adjusted on- and off-balance-sheet assets and total asset to equity ratio to be not greater than 10 times) and imposing stricter requirements on major shareholders. Based on the above, we concur with the management of the Group that financial leasing providers are inherently capital intensive.

In respect of the supply chain management and financial technology segment, the Group has been making enormous efforts to upgrade Shougang SCF Platform, committed to provide customers with more comprehensive and diversified products and services. In 2025, the Group made continuous efforts to optimize and improve the risk structure design of management and control authority, and continued to upgrade the information system that integrates transaction data analysis, credit rating, quota management and statistical analysis. As stated in the 2025 Annual Report, the Group plans to continue to innovate new financial products and commence digital transformation and enhance the innovation capability of Shougang SCF Platform's digital product services. The innovation of new financial products aims to provide a variety of products that match for the financing needs of customers at different points in the entire industry process (according to different industry conditions). It is expected that more and more new financial products will be available to the market, so as to cover more and broader customer groups and broader revenue stream. We have obtained and reviewed the Group's digitalization investment projects list and noted that the Group plans to invest in developing, upgrading and integrating its Shougang SCF Platform. Such projects include (i) developing new service offerings that match for the financing needs of customers at different points in the entire industry process; (ii) upgrading the established platform and enhancing system service quality through aggregating multi-party data, integrating online and offline workflows and advancing the onboarding of financial institutions, warehousing providers, core enterprises and other partners; (iii) leveraging next-generation information technologies including big data, artificial intelligence, blockchain and the Internet of Things, and upgrading the platform's technology infrastructure to innovate products and comprehensively accelerate the digital and intelligent evolution of the platform;

(iv) improving the platform's risk assessment models and compliance function and optimizing the platform's risk control; (v) upgrading the automation capabilities of platform operations and management to introduce more accessible customer service modes and optimize operational experiences; and (vi) building a comprehensive corporate information management platform to enhance overall corporate management efficiency. In view of the above, allocating approximately 15% of the net proceeds for expanding the Group's supply chain management and service solutions and developing integrated service offerings could enhance the Group's operational, risk management and technology capabilities to support its supply chain management and financial technology business, which is beneficial to the Group.

In respect of the use of proceeds for replenishing the general working capital of the Group, we have also obtained and reviewed the information provided by the management of the Company and noted that the Company would allocate the proceeds from the Rights Issue of approximately HK$73.2 million for payment of staff costs, administrative and operating expenses, professional fees, rental and office expenses, and other general corporate purposes for around two years. According to the 2025 Annual Report, the Group's administrative expenses amounted to approximately HK$55.6 million and RMB58.3 million for FY2024 and FY2025, respectively. Although the Group recorded cash balance of approximately HK$305.5 million as at 31 December 2025, given the capital-intensive nature of the Group's financial leasing business as mentioned above, we concur with the Directors that the net proceeds from the Rights Issue can support its ongoing operational needs.

The proposed allocation of the net proceeds from the Rights Issue reflects the Group's strategic focus on further expanding its existing businesses to become a supply chain financial technology and service platform characterized by integrating industry and finance. The potential strategic acquisition, development and expansion of its principal businesses and the replenishment of working capital, demonstrate the Group's disciplined and forward-looking approach to capital utilization. Given the specificity and clarity of the plans, we are of the view that the proposed use of proceeds as reasonable and necessary to support the Group's operational and financial needs.

Fund-raising alternatives

As disclosed in the Letter from the Board, the Board has considered various fund-raising alternatives before resolving to the Rights Issue including debt financing, placing and open offer.

Although the Group currently has a relatively low gearing ratio, debt financing would nevertheless increase the Group's indebtedness and result in additional interest expenses, fixed repayment obligations and, depending on the terms of the relevant financing, possible financial covenants and/or security requirements. The Board considers that debt financing may not be the most appropriate financing method for the Group's current funding needs, as the Rights Issue would enable the Group to strengthen its capital base and maintain financial flexibility without increasing its debt burden. Given that new borrowings, if there were a lender, may require the provision of security and collaterals and creditors will rank before the Shareholders, which would not be beneficial to the Shareholders as a whole, we agree that debt financing is not beneficial to the Company and the Rights Issue would allow the Company to strengthen its capital base and liquidity without incurring interest costs as it would through bank borrowing.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. As for open offer, while it is similar to a rights issue and allows Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. As such, we consider that the Rights Issue is more favorable to the Shareholders as they have the flexibility of being able to sell their entitled nil-paid rights when they do not wish to take up the entitlements under the Rights Issue. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Taking into account that (i) the Rights Issue will strengthen the capital base of the Group for further business development; (ii) the Rights Issue offers all Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables them to maintain their proportionate interests in the Company and continue to participate in the future development of the Company; and (iii) it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs, we concur with the management of the Group that the Rights Issue is the most appropriate means of financing over the alternative fund-raising methods and is in the interest of the Company and the Shareholders as a whole.

3. Principal terms of the Rights Issue

For details of the terms of the Rights Issue, please refer to the section headed "Proposed Rights Issue" in the Letter from the Board. Set out below are the principal terms of the Rights Issue:

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$6.25 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	3,953,938,703 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective	:	79,078,774 Consolidated Shares
Maximum number of Rights Shares	:	Up to 79,078,774 Rights Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Maximum number of Consolidated Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	158,157,548 Consolidated Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK$494.2 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	Up to approximately HK$488.2 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)

Net price (i.e. Subscription Price less cost and expenses per Rights Share incurred in the Rights Issue)	:	Approximately HK$6.17 per Rights Share
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As at the Latest Practicable Date, the Group has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Existing Shares or Consolidated Shares.

Assuming there is no change in the number of issued Consolidated Shares on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 79,078,774 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 100% of the issued share capital of the Company immediately upon completion of the Share Consolidation; and (ii) 50% of the issued share capital of the Company after completion of the Share Consolidation and as enlarged by the allotment and issue of the Rights Shares.

4. Assessment of the Subscription Price

The Subscription Price is HK$6.25 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price was determined by the Company with reference to (i) the prevailing market conditions; (ii) the prevailing market price of the Shares; (iii) the Group's funding needs and capital requirements for its intended business development and potential acquisition or investment opportunities; and (iv) reasons and benefits of the Rights Issue as discussed in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" in the Letter from the Board.

The Subscription Price of HK$6.25 per Rights Share represents:

(i) a premium of approximately 5.93% over the theoretical closing price of HK$5.90 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.118 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 0.81% over the theoretical closing price of HK$6.20 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.124 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 1.26% to the theoretical average closing price of approximately HK$6.33 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK$0.127 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 1.34% to the theoretical average closing price of approximately HK$6.335 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK$0.127 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

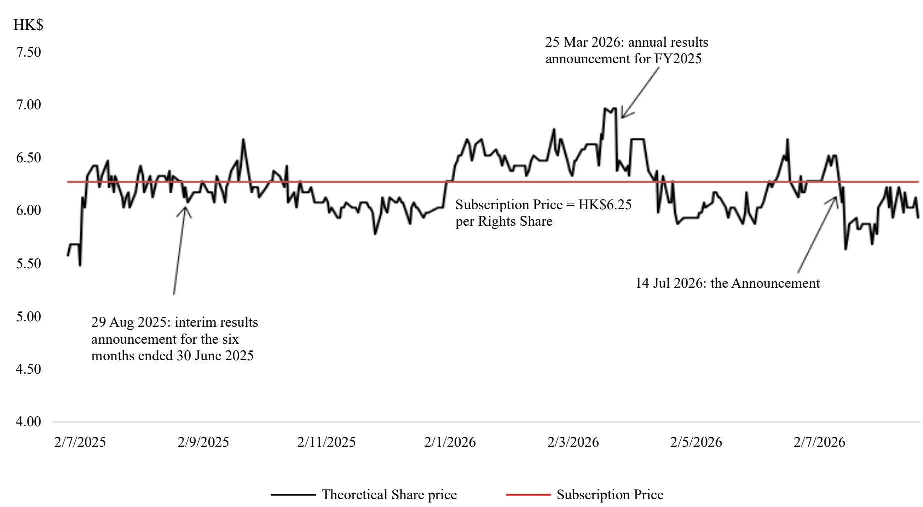
(v) a premium of approximately 0.40% over the theoretical ex-rights price of approximately HK$6.225 per Consolidated Share (after taking into account the effect of the Share Consolidation), based on the theoretical closing price of HK$6.20 per Consolidated Share (after taking into account the effect of the Share Consolidation, based on the closing price of HK$0.124 per Existing Share as quoted on the Stock Exchange on the Last Trading Day);

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 1.10%, represented by the theoretical diluted price of approximately HK$6.32 per Consolidated Share to the theoretical benchmarked price of HK$6.39 per Consolidated Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.124 per Existing Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of the Announcement of approximately HK$0.128 per Existing Share); and

(vii) a discount of approximately 65.82% to the consolidated net asset value per Consolidated Share as at 31 December 2025 of approximately HK$18.28 based on the audited consolidated net asset value attributable to the Shareholders as at 31 December 2025 of approximately HK$1,445.8 million and the theoretical number of 79,078,774 Consolidated Shares in issue (after taking into account the effect of the Share Consolidation) as at the Latest Practicable Date.

(i) Comparison with historical closing prices of the Shares

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the movement of the closing prices of the Shares as quoted on the Stock Exchange from 2 July 2025 to the Last Trading Day (i.e. 14 July 2026) (the "**Review Period**"), being approximately one year preceding the Last Trading Day, and up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares. The chart below illustrates the theoretical daily closing prices of the Consolidated Shares versus the Subscription Price of HK$6.25 per Rights Share as we have adjusted the daily closing prices of the Shares to reflect the effect of the Share Consolidation:



Source: the website of the Stock Exchange

As shown above, the theoretical closing prices of the Consolidated Shares during the Review Period ranged from the lowest of HK$5.45 on 8 July 2025 to the highest of HK$6.95 on 20, 24 and 25 March 2026. In other words, the Subscription Price of HK$6.25 per Rights Share represents a premium of approximately 14.68% to a discount of approximately 10.07% over/to the theoretical closing prices of the Consolidated Shares during the Review Period.

The theoretical closing prices of the Consolidated Shares generally exhibited an upward trend from HK$5.55 on 2 July 2025 to the highest of HK$6.95 on 25 March 2026. Following the Company's publication of the annual results announcement for FY2025 on 25 March 2026, the theoretical closing prices of the Consolidated Shares gradually declined to HK$5.85 on 1 June 2026 and then increased sharply to HK$6.65 on 17 June 2026. Thereafter, the theoretical closing prices of the Consolidated Shares fluctuated between HK$6.05 and HK$6.50 during the period from 18 June 2026 to 14 July 2026 and reached HK$6.20 on the Last Trading Day.

As at the Latest Practicable Date, the theoretical closing price of the Consolidated Shares closed at HK$5.90, over which the Subscription Price represents a premium of approximately 5.93%.

As discussed in the sub-section headed "(iii) Comparison with recent rights issue transactions" below, we note that it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant share in order to increase the attractiveness and encourage shareholders to participate in the rights issue so as to meet the company's need for additional funding.

(ii) Historical trading liquidity of the Shares

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the Review Period and up to the Latest Practicable Date:

	Number of trading days *(Note 1)*	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue *(Note 2)*	Approximate percentage of average daily trading volume to total number of Shares held by the public *(Note 3)*
2025				
July	22	1,133,818	0.0287%	0.0742%
August	21	1,010,048	0.0255%	0.0661%
September	22	1,126,727	0.0285%	0.0737%
October	20	1,179,450	0.0298%	0.0772%
November	20	406,000	0.0103%	0.0266%
December	21	445,905	0.0113%	0.0292%
2026				
January	21	1,156,952	0.0293%	0.0757%
February	17	319,411	0.0081%	0.0209%
March	22	491,773	0.0124%	0.0322%
April	19	880,158	0.0223%	0.0576%
May	19	365,947	0.0093%	0.0239%
June	21	913,333	0.0231%	0.0598%
July	22	1,783,182	0.0451%	0.1167%
From 3 August to the Latest Practicable Date	13	809,615	0.0205%	0.0530%

Source: the website of the Stock Exchange

Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day (if applicable).

2. Based on the total number of the Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.

3. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by Wheeling Holdings Limited and Jingxi Holdings Limited.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period and up to the Latest Practicable Date. The average daily trading volume for the respective month or period during the Review Period and up to the Latest Practicable Date ranged from approximately 319,411 Shares in February 2026 to approximately 1,783,182 Shares in July 2026, representing approximately 0.0081% to 0.0451% of the total number of the Shares in issue and approximately 0.0209% to 0.1167% of the total number of the Shares held by the public, respectively.

The above statistics revealed that the trading liquidity of the Shares has not been high recently in the open market. As such, we consider that it is reasonable for the Subscription Price to be set at a discount to the prevailing historical closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue and to maintain their respective shareholdings in the Company.

(iii) Comparison with recent rights issue transactions

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we have further reviewed the rights issue transactions with compensatory arrangement only and no excess application which were initially announced by the companies listed on the Stock Exchange during the period from 1 April 2026 and up to the Last Trading Day (being approximately three months preceding the Last Trading Day). We have identified an exhaustive list of 20 rights issue transactions (the "**Comparable Transactions**"). We consider that the selection of such three months period is adequate 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.

Although the listed issuers involved in the Comparable Transactions have different principal activities, market capitalisations, profitability and financial positions as compared to those of the Company, and includes rights issue transactions which are underwritten with different basis of entitlement, we consider that the Comparable Transactions can provide a general reference to the pricing trend of recent rights issue transactions under the current market conditions as well as a sufficient sample size for comparison purpose, so as to determine whether the Subscription Price is in line with those of recent rights issue transactions in the market.

The details of the Comparable Transactions are set out below:

Date of announcement	Company name (stock code)	Gross proceeds from the rights issue *(HK$ million)*	Basis of entitlement	Premium/ (discount) of the subscription price over/ to the closing price on the last trading day %	Premium/ (discount) of the subscription price over/to the average closing price for the five previous consecutive trading days up to and including/ prior to the last trading day %	Premium/ (discount) of the subscription price over/to the theoretical ex-rights price %	Premium/ (discount) of the subscription price over/ to the consolidated net asset value %	Maximum dilution % *(Note 1)*	Theoretical dilution effect % *(Note 2)*	Excess application *(Y/N)*	Underwriting/ placing commission, as the case may be %
13 July 2026	KPM Holding Limited (8027.HK)	47.4	2 for 1	(13.80)	(16.40)	(6.30)	(65.50)	66.67	11.10	N	3.00
10 July 2026	Guoen Holdings Limited (8121.HK)	43.2	4 for 1	(24.21)	(27.27)	(6.01)	(72.52)	80.00	22.40	N	4.00
9 July 2026	Hong Kong Entertainment International Holdings Limited (8291.HK)	32.0	3 for 1	(4.76)	(4.76)	(1.23)	Net liabilities	75.00	3.57	N	3.00
24 June 2026	Biosysen Limited (1355.HK)	40.0	1 for 2	(51.43)	(50.29)	(41.38)	Net liabilities	33.33	17.14	N	1.50
22 June 2026	Imperium Technology Group Limited (776.HK)	42.6	1 for 2	(66.67)	(67.24)	(65.00)	(34.48)	33.33	22.34	N	3.00
18 June 2026	China Wood International Holding Co., Limited (1822.HK)	77.0	1 for 1	(43.80)	(44.84)	(28.03)	5.48	50.00	22.42	N	1.50
15 June 2026	Asian Citrus Holdings Limited (73.HK)	61.7	3 for 1	(28.13)	(31.82)	(8.91)	(85.00)	75.00	23.86	N	The higher of HK$100,000 or 1%
11 June 2026	HK.AI Capital Limited (1140.HK)	641.2	1 for 2	(18.50)	(24.70)	(17.90)	(93.50)	33.33	8.20	N	0.25
5 June 2026	Gaodi Holdings Limited (1676.HK)	25.0	1 for 2	(12.44)	(12.44)	(9.00)	(51.90)	33.33	4.31	N	0.75
29 May 2026	FDB Holdings Limited (1826.HK)	79.9	1 for 2	(20.60)	(1.20)	(14.80)	Net liabilities	33.33	6.90	N	3.50
26 May 2026	Harbour Digital Asset Capital Limited (913.HK)	74.5	3 for 2	(19.10)	(20.90)	Not disclosed	(84.40)	60.00	12.80	N	3.00
21 May 2026	MOG Digitech Holdings Limited (1942.HK)	44.6	1 for 2	(54.55)	(56.95)	(46.85)	(90.05)	33.33	18.98	N	1.00
12 May 2026	MTT Group Holdings Limited (2350.HK)	68.8	2 for 5	(64.29)	(65.01)	(57.10)	1.85	28.57	18.65	N	The higher of HK$300,000 or 2.20%
5 May 2026	Citychamp Watch & Jewellery Group Limited (256.HK)	145.1	1 for 3	31.60	28.20	19.00	(88.90)	25.00	0.00	N	The higher of HK$300,000 or 1.50%
29 April 2026	Minerva Group Holding Limited (397.HK)	43.3	1 for 2	(19.10)	(17.70)	(12.60)	(91.80)	33.33	8.50	N	3.50
27 April 2026	Tasty Concepts Holding Limited (8096.HK)	28.9	3 for 2	(16.70)	(16.70)	(7.40)	42.90	60.00	10.00	N	3.00
21 April 2026	China Information Technology Development Limited (8178.HK)	10.3	1 for 2	(24.40)	(25.60)	(8.10)	(88.60)	33.33	9.50	N	1.00
17 April 2026	Hong Wei (Asia) Holdings Company Limited (8191.HK)	38.3	4 for 1	(16.13)	(10.47)	(3.70)	(85.43)	80.00	12.90	N	1.00
16 April 2026	Pa Shun International Holdings Limited (574.HK)	10.0	1 for 2	(72.88)	(69.04)	(64.18)	Net liabilities	33.33	24.29	N	1.00
14 April 2026	FEG Holdings Corporation Limited (1413.HK)	35.1	1 for 2	(28.67)	(31.63)	(21.13)	(67.97)	33.33	11.25	N	1.00
			Maximum	31.60	28.20	19.00	42.90	80.00	24.29		4.00
			Minimum	(72.88)	(69.04)	(65.00)	(93.50)	25.00	0.00		0.25
			Average	(28.43)	(28.34)	(21.09)	(59.36)	46.68	13.46		1.99
			Median	(22.41)	(25.15)	(12.60)	(78.46)	33.33	12.03		1.50
	The Company	**494.2**	**1 for 1**	**0.81**	**(1.26)**	**0.40**	**(65.82)**	**50.00**	**1.10**	**N**	**2.00**

Source: the website of the Stock Exchange

Notes:

1. The maximum dilution is calculated by the number of rights shares divided by the total number of issued shares as enlarged by the issue of the rights shares.

2. The theoretical dilution effect is calculated in accordance with Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.

As set out in the table above, we note that it is a common market practice that the pricing of a rights issue represents a discount to the prevailing closing share prices prior to the announcement of the rights issue and to the theoretical ex-rights price of the shares. We also note that:

(a) the subscription prices over/to the share price on the last trading day of the Comparable Transactions ranged from a discount of approximately 72.88% to a premium of approximately 31.60%, with an average and a median discount of approximately 28.43% and 22.41%, respectively. The premium of approximately 0.81% as represented by the Subscription Price over the theoretical closing price of the Consolidated Shares on the Last Trading Day is within the range of the Comparable Transactions;

(b) the subscription prices over/to the average share price for the five previous consecutive trading days up to and including/prior to the last trading day of the Comparable Transactions ranged from a discount of approximately 69.04% to a premium of approximately 28.20%, with an average and a median discount of approximately 28.34% and 25.15%, respectively. The discount of approximately 1.26% as represented by the Subscription Price to the theoretical closing price of the Consolidated Shares for the five previous consecutive trading days up to and including the Last Trading Day is within the range of the Comparable Transactions and lower than the average and median discounts of the Comparable Transactions;

(c) the subscription prices over/to the theoretical ex-rights price of the Comparable Transactions ranged from a discount of approximately 65.00% to a premium of approximately 19.00%, with an average and a median discount of approximately 21.09% and 12.60%, respectively. The premium of approximately 0.40% as represented by the Subscription Price to the theoretical ex-rights price is within the range of the Comparable Transactions;

(d) the subscription prices over/to the consolidated net asset value of the Comparable Transactions ranged from a discount of approximately 93.50% to a premium of approximately 42.90%, with an average and a median discount of approximately 59.36% and 78.46%, respectively. The discount of approximately 65.82% as represented by the Subscription Price to the consolidated net asset value per Consolidated Share as at 31 December 2025 is within the range of the Comparable Transactions and lower than the median discount of the Comparable Transactions; and

(e) the theoretical dilution effect of the Comparable Transactions ranged from nil to approximately 24.29%, with an average and a median dilution effect of approximately 13.46% and 12.03%, respectively. The theoretical dilution effect of the Rights Issue of approximately 1.10% is within the range of the Comparable Transactions and lower than the average and median dilution effect of the Comparable Transactions.

Given that (a) as shown in the table above, it is a common market practice that the subscription price of a rights issue represents a discount to (1) the closing price on the last trading day; (2) the average share price for the five previous consecutive trading days up to and including/prior to the last trading day; (3) the theoretical ex-rights price based on the closing price on the last trading day; and (4) the consolidated net asset value attributable to the shareholders; (b) the interests of the Qualifying Shareholders will not be prejudiced by the discount of the Subscription Price as long as they are offered with an equal opportunity to participate in the Rights Issue and subscribe for the Rights Shares; (c) those Qualifying Shareholders who do not wish to subscribe for their pro-rata entitlement of the Rights Shares can receive economic benefits from selling their nil-paid Rights Shares in the market; (d) the Subscription Price is close to the theoretical closing price of the Consolidated Shares on the Last Trading Day and the theoretical ex-rights price; (e) the discount of the Subscription Price to the average closing price of the Shares for the five previous consecutive trading days up to and including the Last Trading Day is within the ranges of that of the Comparable Transactions and lower than the average and median discounts of the Comparable Transactions; (f) the discount of the Subscription Price to the consolidated net asset value per Consolidated Share as at 31 December 2025 is within the ranges of those of the Comparable Transactions and lower than the median discount of the Comparable Transactions; and (g) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions and lower than the average and median dilution effect of the Comparable Transactions, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

We noted that the discounts or premiums of the subscription prices to the benchmarked prices across the Comparable Transactions exhibits a wide range. We consider that this variation reflects the differences in individual company fundamentals, financial positions, share liquidity, market sentiment, and transaction structures. We are not aware of any specific reasons for the significant discounts in the subscription prices of the Comparable Transactions against their respective closing prices. In the absence of a compelling rationale to exclude outliers from the Comparable Transactions, we have opted to include them in our analysis. As such, notwithstanding such variation, and given that the Comparable Transactions provide a general reference for the prevailing market practice of rights issue exercises of listed companies on the Stock Exchange with a sufficient and reasonable sample size, we are of the view that the scope of the Comparable Transactions is appropriate. We consider that the full set of Comparable Transactions collectively provides a meaningful reference to prevailing market practices. On this basis, we consider the Comparable Transactions to be indicative in assessing the fairness and reasonableness of the terms of the Rights Issue (including the Subscription Price).

5. Principal terms of the Placing Agreements

For details of the terms of the Placing Agreements (which are supplemented by the Supplement Placing Agreement I and the Supplemental Placing Agreement II), please refer to the section headed “Proposed Rights Issue” in the Letter from the Board. Set out below are the principal terms of the Placing Agreements:

Issuer	:	The Company
Placing Agent I	:	Maxa Asset Management Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, was appointed as the Placing Agent I to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period. The Placing Agent I confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder(s); and (ii) are Independent Third Parties.

Placing Agent II	:	Huatai Financial Holdings (Hong Kong) Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, was appointed as the Placing Agent II to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period. Placing Agent II confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder(s); and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from 27 October 2026 and ending at 4:00 p.m. on 2 November 2026.
Service fee and expenses	:	Subject to completion of the Placing, the Company shall pay to the Placing Agents a placing service fee (the "**Placing Commission**") in Hong Kong Dollars, equal to 2% of the gross placing proceeds successfully raised (being the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by each Placing Agent and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreements).
Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be not less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or Accounting and Financial Reporting Council levy as may be payable). The final price determination will depend on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the placement process.

Placees	:	The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and none of the placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other placees. The Placing will not have 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. The Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.
Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the Consolidated Shares in issue and be free and clear from all encumbrances and with all rights attached thereto on and after the date of their allotment and as at the date of completion of the Rights Issue, including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares, the record date of which shall fall on or after the date of completion of the Placing.
Conditions of the Placing Agreements	:	The obligations of the Placing Agents under the Placing Agreements are conditional upon, among others, the following conditions being fulfilled: (i) 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 customary conditions) and such approval not having been withdrawn or revoked; (ii) the Share Consolidation having become effective; and

(iii) the passing of all necessary resolutions to be proposed at the SGM to be convened to consider and approve, among others, the Share Consolidation, the Rights Issue and the respective transactions contemplated thereunder.

In the event that the above conditions precedent have not been fulfilled or waived (as the case may be) on or before the Latest Time for Termination (or such later date as may be agreed between the Placing Agents and the Company in writing), the Placing will lapse and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach thereof.

With reference to the sub-section headed "4. Assessment of the Subscription Price – (iii) Comparison with recent rights issue transactions" above, there were 20 Comparable Transactions involving compensatory arrangements which we believe reflect the prevailing market trends under the current economic environment and thus fair and reasonable for the assessment of the Placing Commission under the Placing Agreement.

As shown in the table above, we noted that the placing commission rates provided by the placing agents under the Comparable Transactions ranged from approximately 0.25% to 4.00% with an average and a median of approximately 1.99% and 1.50%, respectively. Given that (i) as disclosed in the Letter from the Board, the Placing Commission was determined after arm's length negotiation between the Company and the respective Placing Agents with reference to, among other things, the size of the Rights Issue, the scope of services to be provided, the prevailing market conditions and recent comparable rights issue transactions published by companies listed on the Main Board of the Stock Exchange since 1 April 2026 up to the Last Trading Day; and (ii) the Placing Commission of 2% falls within the relevant range of the Comparable Transactions and is higher than the average and the median of the Comparable Transactions, we consider that the Placing Commission to be fair and reasonable. As such, we are of the view that the terms of the Placing Agreements are fair and reasonable so far as the Independent Shareholders are concerned.

6. Potential dilution effect on the shareholding interests of the Independent Shareholders

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will not be diluted after the Rights Issue. Qualifying Shareholders who do not accept the Rights Issue can, subject to the then prevailing market conditions, consider to sell their nil-paid rights to subscribe for the Rights Shares in the market. However, they and the non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

For illustrative purposes only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Share Consolidation; (iii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iv) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholders (other than Wheeling Holdings Limited and Jingxi Holdings Limited pursuant to the Irrevocable Undertaking) and the Unsubscribed Rights Shares and the ES Unsold Rights Shares have been placed by the Placing Agents:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Share Consolidation		Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholders (other than Wheeling Holdings Limited and Jingxi Holdings Limited pursuant to the Irrevocable Undertaking) and the Unsubscribed Rights Shares and the ES Unsold Rights Shares have been placed by the Placing Agents	
	Number of issued shares	*Approximate %*	*Number of issued shares*	*Approximate %*	*Number of issued shares*	*Approximate %*	*Number of issued shares*	*Approximate %*
Wheeling Holdings Limited *(Note 3)*	2,025,736,972	51.23	40,514,739	51.23	40,514,739	25.62	40,514,739	25.62
Jingxi Holdings Limited *(Notes 3 and 4)*	400,000,000	10.12	8,000,000	10.12	56,514,739	35.73	56,514,739	35.73
Public Shareholders *(Note 2)*	1,528,201,731	38.65	30,564,035	38.65	61,128,070	38.65	30,564,035	19.33
Independent placees	–	–	–	–	–	–	30,564,035	19.32
Total	3,953,938,703	100.00	79,078,774	100.00	158,157,548	100.00	158,157,548	100.00

Notes:

1. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

2. For illustrative purposes, the number of Consolidated Shares held by the public Shareholders immediately upon completion of the Share Consolidation is calculated by deducting the 40,514,739 Consolidated Shares held by Wheeling Holdings Limited and the 8,000,000 Consolidated Shares held by Jingxi Holdings Limited from the total of 79,078,774 Consolidated Shares in issue. This assumes that any whole Consolidated Shares arising from the aggregation of fractional entitlements will, if possible, be sold to Independent Third Parties who will be regarded as public Shareholders under the Listing Rules. Accordingly, such Consolidated Shares are included in the shareholding of the public Shareholders.

3. Pursuant to the Irrevocable Undertaking, Wheeling Holdings Limited will transfer all the nil paid rights to which it is entitled to Jingxi Holdings Limited before the Latest Time for Acceptance.

4. The Executive has granted the Takeovers Waiver pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in respect of the obligation of Jingxi Holdings Limited to make a general offer for the Shares which may otherwise arise as a result of the transfer of the nil-paid rights from Wheeling Holdings Limited to Jingxi Holdings Limited and the acceptance of the Rights Shares by Jingxi Holdings Limited.

5. Assuming the independent placees are Independent Third Parties, the independent placees are expected to be regarded as public Shareholders. Accordingly, the aggregate public float of the Company under this illustrative scenario would be approximately 38.65%.

As set out in the table under the sub-section headed "4. Assessment of the Subscription Price – (iii) Comparison with recent rights issue transactions" above, the maximum dilution of the Comparable Transactions ranged from approximately 25.00% to 80.00% with an average and a median dilution of approximately 46.68% and 33.33%, respectively. For the Excluded Shareholders and those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue will be diluted by up to a maximum of 50.00%, which is within the range of the Comparable Transactions. Taking into account that (i) the dilution magnitude of any rights issue depends solely on the extent of the basis of entitlement under such exercise, where the higher the offering ratio of rights shares to existing shares is, the greater the dilution on the existing shareholding would be; (ii) the maximum dilution effect only occur when the Qualifying Shareholders do not subscribe for their proportionate Rights Shares; and (iii) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions and complies with the dilution limit under the Listing Rules, we consider the potential dilution effect of the Rights Issue to be acceptable.

In all cases of rights issue, the dilution on the shareholding of those qualifying shareholders who do not take up in full their provisional allotments under the rights issue is inevitable. In fact, the dilution magnitude of any rights issue depends mainly on the extent of the basis of entitlement under such exercise since the higher offering ratio of new shares to existing shares is, the greater the dilution on the shareholding would be.

Having considered (i) the dilution effect is not prejudicial as all the Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and the Independent Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; (ii) the flexibility provided to the Qualifying Shareholders who choose not to subscribe, as they may dispose of their nil-paid Rights Shares in the open market; (iii) the inherent dilutive nature of rights issues in general if existing shareholders do not fully take up their entitlements; and (iv) the positive impact on the financial position of the Group as a result of the Rights Issue as detailed in the section headed "7. Financial impact of the Rights Issue" below, we are of the view that the potential dilution effect of the Rights Issue, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Rights Shares, is justifiable.

7. Financial impact of the Rights Issue

(i) Net assets

According to the unaudited pro forma financial information of the Group (in Appendix II to the Circular), assuming that the Rights Issue had been completed and subscribed in full on 31 December 2025, the audited consolidated net assets attributable to the owners of the Company would have increased from approximately HK$1,445.8 million as at 31 December 2025 to the unaudited pro forma adjusted consolidated net assets attributable to the owners of the Company of approximately HK$1,934.0 million immediately after the completion of the Rights Issue.

(ii) Liquidity

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK$305.5 million, current assets of approximately HK$1,074.1 million and current liabilities of approximately HK$79.9 million. Upon completion of the Rights Issue, cash and cash equivalents of the Group is expected to increase by the estimated net proceeds from the Right Issues of approximately HK$488.2 million. The current ratio of the Group will increase from approximately 13.4 times to approximately 19.6 times. As such, the liquidity position of the Group would be improved upon completion of the Rights Issue.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Company upon completion of the Rights Issue.

OPINION AND RECOMMENDATION

Based on the above, we consider that the terms of the Rights Issue, the Placing Agreements and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Rights Issue, the Placing Agreements and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Group, are nevertheless in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Rights Issue, the Placing Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the years ended 31 December 2023, 2024 and 2025. The said annual reports of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.capital-ifs.com/):

- annual report of the Company for the year ended 31 December 2023 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0415/2024041501033.pdf);

- annual report of the Company for the year ended 31 December 2024 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0414/2025041401178.pdf); and

- annual report of the Company for the year ended 31 December 2025 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200670.pdf);

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2026, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Circular, the details of the Group's indebtedness are as follows:

Borrowings and lease liabilities

At the close of business on 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had no outstanding bank borrowings; the Group had lease liabilities of approximately HK$4,141,000 certain of which were secured by the rental deposits and all of which were unguaranteed; and the Group had loans from a related party of approximately HK$17,462,000 which is unsecured.

Pledge of assets

At the close of business on 30 June 2026, the Group had no charge on its assets.

Debt securities

At the close of business on 30 June 2026, the Group had no debt securities.

Contingent liabilities

The Group did not have any material contingent liabilities as at the close of business on 30 June 2026.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 30 June 2026.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group, the currently available facilities, and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Circular.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Company since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company. The principal activities of the Group are provision of sale and leaseback arrangements services, property leasing services and supply chain management and financial technology business.

For the year ended 31 December 2025, the Group recorded consolidated revenue of approximately HK$155,575,000, representing a decrease of approximately 19% compared with approximately HK$191,635,000 for the year 2024. Total comprehensive income attributable to owners of the Company for the year ended 31 December 2025 was approximately HK$62,875,000, compared with a total comprehensive loss attributable to owners of the Company of approximately HK$1,565,000 for the year ended 31 December 2024.

Looking forward, despite the complexities of the global economy and the potential rise of trade protectionism, the Group will maintain its prudent governance approach and robust risk management practices, thereby laying a solid foundation for its long-term development. Against the backdrop of financial innovation, the Group is committed to seizing emerging opportunities in the digital economy, exploring pathways for strategic transformation, and extending its services along the steel industry chain to enhance economic returns. By capitalizing on Hong Kong's strategic geographical position and its cross-border advantages in international financial markets, the Group will strive to provide customers with low-cost funding and equity capital across different market and currency cycles. Furthermore, in alignment with the PRC's "dual-carbon" targets and relevant green finance policies, the Group will allocate greater resources toward finance lease services for energy management and conservation (EMC) projects. Through these initiatives, the Group is well-positioned to drive sustainable growth in its business scale and to create greater value for its customers, shareholders, and society at large.

For illustrative purposes, the unaudited pro forma financial information of the Group prepared by the Directors 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 the 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 position on the completion of the Rights Issue.

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

The following unaudited pro forma statement of adjusted consolidated net assets of the Group (the "**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the audited consolidated net assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2025 and taking into account certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2025 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2025, as extracted from the Group's audited consolidated statement of financial position as at 31 December 2025 included in the annual report of the Company for the year ended 31 December 2025, and is adjusted for the effect of the Rights Issue described below.

	Audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2025	Unaudited estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net assets attributable to the owners of the Company as at 31 December 2025 immediately after the completion of the Rights Issue	Audited consolidated net assets attributable to owners of the Company per Share as at 31 December 2025 before the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net assets attributable to owners of the Company per Share as at 31 December 2025 immediately after the completion of the Rights Issue
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$)*	*(HK$)*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on 79,078,774 Rights Shares to be issued at Subscription Price of HK$6.25 per Rights Share	1,445,826	488,223	1,934,049	18.28	12.23

Notes:

1. The consolidated net assets of the Group attributable to owners of the Company of approximately HK$1,445,826,000 as at 31 December 2025 is extracted from the annual report of the Company for the year ended 31 December 2025.

2. The estimated net proceeds of approximately HK$488,223,000 from the Rights Issue are based on 79,078,774 Rights Shares (assuming no new Shares are allotted and issued and no other change in the share capital of the Company on or before the Record Date) at the Subscription Price of HK$6.25 per Rights Share, after deduction of estimate related expenses (including advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges) payable by the Company.

3. The number of Shares and audited consolidated net assets attributable to owners of the Company used for the calculation of the unaudited pro forma adjusted consolidated net assets of the Group per Share attributable to the owners of the Company before the completion of the Rights Issue, is based on 79,078,774 Shares in issue as at 31 December 2025 and approximately HK$1,445,826,000 as at 31 December 2025 respectively.

4. The unaudited pro forma adjusted consolidated net assets of the Group attributable to the owners of the Company per Share as at 31 December 2025 immediately after the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2025. The number of Shares used for the calculation of the unaudited pro forma adjusted consolidated net assets of the Group per Share attributable to the owners of the Company immediately after the completion of the Rights Issue is 158,157,548 Shares, which consists of (i) 79,078,774 Shares in issue as at 31 December 2025, and (ii) 79,078,774 Rights Shares.

5. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of the independent reporting accountants' assurance report received from JFY CPA Limited, Certified Public Accountants and Registered PIE Auditor, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

JFY CPA Limited
Certified Public Accountants
灼見會計師事務所有限公司

TO THE DIRECTORS OF CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Capital Industrial Financial Services Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets as at 31 December 2025 and related notes as set out on pages II-1 to II-2 of this circular issued by the Company dated 21 August 2026. The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in Section A of Appendix II of this circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed consolidation of every fifty (50) existing shares into one (1) consolidated share and the proposed rights issue on the basis of one (1) rights share for every one (1) consolidated share at the subscription price of HK$6.25 per rights share (the "**Rights Issue**") on the Group's consolidated financial position 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 net assets as at 31 December 2025 has been extracted by the directors from the Group's consolidated statement of financial position as at 31 December 2025, included in the annual report of the Group for the year ended 31 December 2025.

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 (the "**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

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

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", 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 ACCOUNTANTS' RESPONSIBILITIES

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

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

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 this circular is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue 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 Rights Issue 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 unaudited pro forma adjustments give appropriate effect to those criteria; and

– The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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

OPINION

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the director of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

JFY CPA Limited
Certified Public Accountants

Chan Chun Sing
Audit Engagement Director
Practising Certificate Number: P05537
Hong Kong, 21 August 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. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company or its associated corporations

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers in Appendix C3 of the Listing Rules.

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

As at the Latest Practicable Date, the following Director was an employee of a company which had an interest in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

1. Mr. Zhang Dan, a Non-executive Director of the Company, is the chairman and general manager of Jingxi Holdings Limited, which is a substantial shareholder of the Company (interested in 10.12% of the issued Shares as at the Latest Practicable Date).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, so far as is known to any Directors or chief executive of the Company, the persons (other than a Director or chief executive of the Company) who (a) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (b) had interest of 5% or more of the issued capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	**Capacity/ Nature of interest**	**Number of Shares/ underlying Shares held** *(Note 1)*	**Approximate percentage of the issued shares** *(Note 2)*
Shougang Group Co., Ltd. ("**Shougang Group**") *(Note 3)*	Interests of controlled corporations	2,425,736,972(L)	61.35%
Wheeling Holdings Limited ("**Wheeling**") *(Note 3)*	Beneficial owner	2,025,736,972(L)	51.23%
Beijing Shougang Fund Co., Ltd. ("**Shougang Fund**") *(Note 3)*	Interests of controlled corporations	400,000,000(L)	10.12%
Jingxi Holdings Limited ("**Jingxi Holdings**") *(Note 3)*	Beneficial owner	400,000,000(L)	10.12%
CHONG Tin Lung Benny 莊天龍 *(Note 4)*	Interests of controlled corporations	254,413,000(L)	6.43%
VMS Investment Group Limited ("**VMS Investment**") *(Note 4)*	Beneficial owner	254,413,000(L)	6.43%
YIP WANG NGAI *(Note 5)*	Interests of controlled corporations	213,600,000(L)	5.40%
HY HOLDING LIMITED ("**HY Holding**") *(Note 5)*	Beneficial owner	213,600,000(L)	5.40%

Notes:

(1) The Letter "L" denotes the person's long position in the Shares.

(2) The percentage is calculated based on 3,953,938,703 listed Shares in issue as at the Latest Practicable Date.

(3) Shougang Group indicated in its disclosure form dated 14 February 2025 (being the latest disclosure form filed up to 30 June 2025) that as at 14 February 2025, its interest in the Company was held by Wheeling and Shougang Fund respectively, wholly owned subsidiaries of Shougang Group. Wheeling has direct interest of the Company, and Shougang Fund's interest in the Company was the Shares held by Jingxi Holdings, a wholly-owned subsidiary of Shougang Fund.

(4) Mr. Chong Tin Lung Benny indicated in his disclosure form dated 10 April 2025 (being the latest disclosure form filed up to 30 June 2025) that as at 10 April 2025, his interest in the Company was held by VMS Investment which in turn was held as to 100% by Mr. Chong Tin Lung Benny.

(5) Mr. Yip Wang Ngai indicated in his disclosure form dated 1 August 2019 (being the latest disclosure form filed up to 30 June 2025) that as at 30 July 2019, his interest in the Company was held by HY Holding which in turn was held as to 80% by Mr. Yip Wang Ngai.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who (a) had an interest or short position in the shares and/or underlying shares of the Company who was required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (b) had interest of 5% or more of the issued capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' INTERESTS IN CONTRACT AND ASSET OR ARRANGEMENT

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

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

4. DIRECTORS' SERVICE CONTRACTS

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

5. COMPETING INTERESTS

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

6. LITIGATION

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

7. MATERIAL CONTRACT(S)

The following contract(s) (not being contract(s) entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and is/are or may be material:

(i) the Irrevocable Undertaking; and

(ii) the Placing Agreements entered into between the Company and the Placing Agents in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the independent placees at the placing price of not less than the Subscription Price (i.e., HK$6.25) on a best effort basis during the Placing Period, pursuant to which the Company shall pay to the Placing Agents a placing service fee in Hong Kong Dollar, of 2% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agents and/or their sub-placing agent(s) pursuant to the terms of the Placing Agreements.

8. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular (collectively, the "**Experts**"):

Name	Qualification
Rainbow Capital (HK) Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
JFY CPA Limited	Certified Public Accountants

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

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

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

9. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing service fee (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and the ES Unsold Rights Shares are placed by the Placing Agents), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK$6.0 million, which are payable by the Company.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	*Executive Directors* Ms. Sun Yajie *(Chairman)* Ms. Fu Yao *(Managing Director)* *Non-executive Directors* Mr. Huang Donglin Mr. Zhang Dan *Independent non-executive Directors* Mr. Tam King Ching, Kenny Mr. Ng Man Fung, Walter Ms. On Danita
Audit committee	Mr. Tam King Ching, Kenny *(Chairman)* Mr. Huang Donglin Mr. Ng Man Fung, Walter Ms. On Danita
Remuneration committee	Mr. Tam King Ching, Kenny *(Chairman)* Ms. Sun Yajie Mr. Huang Donglin Mr. Ng Man Fung, Walter Ms. On Danita
Nomination committee	Ms. Sun Yajie *(Chairman)* Mr. Tam King Ching, Kenny Mr. Huang Donglin Mr. Ng Man Fung, Walter Ms. On Danita

Registered office	Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10 Bermuda
Principal office in Hong Kong	Suite 803, 8/F, Harcourt House 39 Gloucester Road Wanchai Hong Kong
Company secretary	Mr. Leung Tze Wai (a member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia)
Financial adviser to the Company	Maxa Capital Limited Unit 2602, 26/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong
Legal advisers to the Company	As to Hong Kong law: Tian Yuan Law Firm LLP Suites 3304-3309, 33/F, Jardine House, One Connaught Place, Central, Hong Kong As to PRC law: Tian Yuan Law Firm Suite 509 Tower A, Corporate Square, 35 Financial Street, Xicheng District, Beijing 100033, China
Hong Kong Branch Share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Auditor	SHINEWING (HK) CPA Limited Certified Public Accountants Registered Public Interest Entity Auditor 17/F, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Rainbow Capital (HK) Limited Office No. 710, 7/F, Wing On House, 71 Des Voeux Road Central, Hong Kong
Placing Agent I	Maxa Asset Management Limited Room 2602, 26/F., Golden Centre 188 Des Voeux Road Central Hong Kong
Placing Agent II	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center, 99 Queen's Road Central, Central, Hong Kong

11. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Ms. Sun Yajie

Ms. Sun Yajie, aged 53, was appointed as an Executive Director and the Chairman of the board of directors of the Company (the "**Board**"), the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company in August 2022. Ms. Sun was graduated from Hebei University of Economics and Business. Ms. Sun is a senior accountant and a Chinese Certified Public Accountants. Ms. Sun joined Shougang Group Co., Ltd ("**Shougang Group**") in 1994 and served as the head of the accounting and finance department of Qinhuangdao Shougang Plate Co., Ltd.（秦皇島首鋼板材有限公司）, the deputy head of the accounting and finance department of Qinhuangdao Shouqin Metal Materials Co., Ltd., the deputy head of the overseas investment and finance division of the overseas business management department and the director of oversea finance division and the deputy head of international business department of Shougang Corporation. Shougang Group is a substantial shareholder of the Company. Ms. Sun has extensive experience in the steel industry, corporate finance, financial accounting and management.

Ms. Fu Yao

Ms. Fu Yao, aged 45, was appointed as a Managing Director and Executive Director of the Company in June 2024. Ms. Fu joined the Group in March 2022 and served as the general manager of the Company and an executive director of the Company's wholly owned subsidiary. Prior to joining the Group, she worked as the deputy general manager of Industrial Digital Finance Department at 天星數科科技有限公司 (Tianxing Digital Technology Co., Ltd.*), a wholly-owned subsidiary of Xiaomi Corporation. Ms. Fu obtained bachelor's degree in chemical engineering from China University of Petroleum in 2002 and an executive master's degree in business administration from China Europe International Business School in 2018. Ms. Fu possesses extensive experience in the field of supply chain finance technology.

Non-executive Directors

Mr. Huang Donglin

Mr. Huang Donglin, aged 65, was appointed as a Non-executive Director of the Company in May 2018 and is a member of each of the Remuneration Committee and the Nomination Committee, he was also appointed as a member of the Audit Committee in March 2021. Mr. Huang held positions in The People's Bank of China, Industrial and Commercial Bank of China and Bank of China. He has worked in the finance industry for over thirty years and led the equity reorganization and restructuring of a number of domestic companies. Mr. Huang holds an executive master of business administration from Shanghai Jiao Tong University and a doctor's degree from United Business Institutes in Belgium. He has extensive experience in finance, and has been engaged in relevant enterprise management and diagnosis for a long time.

Mr. Zhang Dan

Mr. Zhang Dan, aged 43, was appointed as a Non-executive Director of the Company in April 2026. He holds a Master's degree in Business Administration from The University of California, Los Angeles and a Bachelor's degree in Economics from Beijing University of Technology. Mr. Zhang joined Beijing Shougang Fund Co., Ltd. ("**Shougang Fund**") in January 2023. He currently serves as a deputy general manager of Shougang Fund, the chairman and general manager of Jingxi Holdings Limited, and a director and general manager of Beijing Shouxi Investment Management Co., Ltd.. He was also an executive director of Shougang Century Holdings Limited (stock code: 103) from August 2023 to December 2025, a company listed on the Main Board of the Stock Exchange. Prior to joining Shougang Fund, he was the co-head of general industrials and merger and acquisition of investment banking department of Huatai International Financial Holdings Company Limited and had completed numerous merger and acquisition as well as initial public offering and refinancing projects. He was also a director of the investment banking department of GF Capital (Hong Kong) Limited. Mr. Zhang has extensive experience in Hong Kong capital market.

Independent non-executive Directors

Mr. Tam King Ching, Kenny

Mr. Tam King Ching, Kenny, aged 76, was appointed as an Independent Non-executive Director of the Company in February 1996 and is the Chairman of each of the Audit Committee and the Remuneration Committee, as well as a member of the Nomination Committee. Mr. Tam is a practising Certified Public Accountant in Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Chartered Professional Accountants of Ontario, Canada. Mr. Tam is a Past President of The Society of Chinese Accountants and Auditors. He also serves as an independent non-executive director of certain listed companies on the Main Board of the Stock Exchange, namely, Starlite Holdings Limited and West China Cement Limited. He was also an independent non-executive director of four Hong Kong listed companies, namely Hong Kong Shanghai Alliance Holdings Limited, Wisdom Education International Holdings Company Limited, Beijing West Industries International Limited and Kingmaker Footwear Holdings Limited in the past three years but resigned or retired on 18 August 2023, 31 May 2024, 1 July 2024 and 28 August 2024 respectively. Mr. Tam holds a bachelor degree in commerce from Concordia University, Canada.

Mr. Ng Man Fung, Walter

Mr. Ng Man Fung, Walter, aged 58, was appointed as an Independent Non-executive Director of the Company in March 2021 and is the member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Ng is an executive director of Mingfa Group (International) Co., Ltd. (stock code: 846), the shares of which are listed on the Main Board of the Stock Exchange and its main business is real estate development and investment in the People's Republic of China. He had served as an analyst in CEF Brokerage Limited from July 1996 to June 1998 and a vice president of research department in GK Goh Securities Limited from December 1998 to July 1999, responsible for the analysis of the internet, retail and traditional manufacturing companies and their related markets. In addition, Mr. Ng served as the head of corporate finance of Nan Hai Corporation Limited (stock code: 680) from July 1999 to January 2015, responsible for mergers and acquisitions and corporate financing activities. The shares of Nan Hai Corporation Limited were delisted on the Main Board of the Stock Exchange with effect from 16 November 2023. He also served as the chief financial officer of MEML Holdings Limited and DoDoPal Holdings Limited from March 2015 to September 2017 and from September 2017 to September 2019 respectively. Mr. Ng holds a bachelor degree in economics from Oregon University.

Ms. On Danita

Ms. On Danita, aged 49, was appointed as an Independent Non-executive Director of the Company in March 2021 and is the member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. On is currently the investor and corporate communications director of Chow Tai Fook Jewellery Company Limited (stock code: 1929). She has worked in PricewaterhouseCoopers, Morgan Stanley, Citadel Investment Group and Ying Sheng Science Co., Ltd. (stock code: 209). The shares of both Chow Tai Fook Jewellery Co., Ltd. and Ying Sheng Science Co., Ltd. are listed on the Main Board of the Stock Exchange. Ms. On holds a bachelor degree in business administration from the Chinese University of Hong Kong and a master degree in finance from the London School of Business. She is a member of the Hong Kong Institute of Certified Public Accountants. Ms. On has more than 20 years of experience in auditing, management consultation, securities research, asset management and investor relations.

12. AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") is principally responsible for reviewing with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control system, and financial reporting matters including the review of the consolidated financial statements. As at the Latest Practicable Date, the Audit Committee comprises one non-executive Director and three independent non-executive Directors, namely, Mr. Tam King Ching, Kenny (chairman of the Audit Committee), Mr. Huang Donglin, Mr. Ng Man Fung, Walter and Ms. On Danita. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed "11. Particulars of the Directors and senior management" in this appendix.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (https://www.hkexnews.hk/) and the Company (http://www.capital-ifs.com/) from the date of this circular up to and including the date of the SGM (being not less than 14 days):

(i) the letter from the Board, the text of which is set out on pages 11 to 47 of this circular;

(ii) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 48 to 49 of this circular;

(iii) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 50 to 81 of this circular;

(iv) the accountant's report on the unaudited pro forma financial information of the Group issued by JFY CPA Limited, the text of which is set out in Appendix II to this circular;

(v) the material contract(s) referred to in the paragraph headed "7. Material contract(s)" of this appendix;

(vi) the written consents referred to in paragraph headed "8. Experts and consents" of this appendix; and

(vii) this circular.

14. MISCELLANEOUS

(i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(ii) As at the Latest Practicable Date, there was no contract for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group's business.

(iii) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.

(iv) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

首惠产融

首 惠 產 業 金 融 服 務 集 團 有 限 公 司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Capital Industrial Financial Services Group Limited (the "**Company**") will be held at 5th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on 8 September 2026 at 11:00 a.m., to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. "**THAT** subject to the satisfaction of the conditions set out in the letter from the board under the heading "Conditions of the Share Consolidation" in the circular (the "**Circular**") of the Company dated 21 August 2026, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on The Stock Exchange of Hong Kong Limited:

    (a) every fifty (50) Existing Shares of par value HK$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of par value HK$0.50 each (the "**Consolidated Share(s)**"), which shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company;

    (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (the "**Director(s)**") of the Company may think fit; and

    (c) any one Director be and is hereby authorised to approve, sign, execute and deliver such documents and do and/or procure to be done any and all acts, deeds and things which in his/her opinion may be necessary, desirable or expedient to effect and implement this resolution."

* *For identification purpose only*

2. "**THAT** conditional upon the passing of the resolution numbered 1 as set out above and subject to the conditions set out in the letter from the board under the heading "Conditions of the Rights Issue" in the Circular:

(a) the allotment and issue of a maximum of 79,078,774 new Consolidated Shares of par value HK$0.50 each (the "**Rights Shares**") pursuant to an offer by way of rights to the shareholders of the Company (the "**Shareholders**") at the subscription price of HK$6.25 per Rights Share (the "**Subscription Price**") on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Shareholders ("**Qualifying Shareholders**") whose names appear on the register of members of the Company on 7 October 2026 or such other date as may be determined by the Directors of the Company for determining entitlements of Shareholders to participate in the Rights Issue (as defined below) (the "**Record Date**"), as described in further details in the Circular (a copy of which has been produced to the SGM marked "**A**" and signed by the chairman of the SGM for the purpose of identification), save for the Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on legal opinions to be provided by the legal advisers to the Company, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) ("**Excluded Shareholders**"), and on and subject to such terms and conditions as may be determined by the Directors (the "**Rights Issue**"), be and is hereby approved;

(b) the placing agreements dated 14 July 2026 (the "**Placing Agreements**") and entered into between (i) the Company and Maxa Asset Management Limited, as supplemented by the supplemental placing agreement dated 21 August 2026, and (ii) the Company and Huatai Financial Holdings (Hong Kong) Limited as supplemented by the supplemental placing agreement dated 21 August 2026, respectively (copies of which have been produced to the SGM marked "**B**" and signed by the chairman of the SGM for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(c) the board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to any Excluded Shareholders, and to do all such acts and things or make such arrangements as it considers necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and

(d) any one or more Directors be and is/are hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreements and the transactions contemplated thereunder."

By order of the Board
Capital Industrial Financial Services Group Limited
Sun Yajie
Chairman

Hong Kong, 21 August 2026

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Notes:

1. Any member entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and, on a poll, vote in his stead. A member holding two or more Shares may appoint more than one proxy. A proxy need not be a member of the Company.

2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the SGM (i.e. no later than 6 September 2026 at 11:00 a.m.) or any adjournment thereof.

3. In the case of joint holders of a share (the "**Share(s)**") of the Company, any one of such persons may vote at the meeting either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but 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 in respect of the joint holding.

4. The register of members of the Company will be closed from 2 September 2026 to 8 September 2026 (both days inclusive) for determining the Shareholders' entitlements to attend and vote at the SGM. No transfer of Shares will be registered during the above book closure period. In order to qualify for entitlement to attend and vote at the SGM, all completed transfer forms, accompanied by the relevant share certificates, have to be lodged with the Company's share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, not later than 4:30 p.m. on 1 September 2026.

5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the SGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or extreme conditions caused by super typhoon is in effect in Hong Kong any time after 6:30 a.m. on the date of the SGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at http://www.capital-ifs.com/ and on the website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and venue of the rescheduled meeting.

7. As at the date of this notice, the Board comprises Ms. Sun Yajie, being an executive Director and chairman, Ms. Fu Yao, being an executive Director and managing director, Mr. Huang Donglin and Mr. Zhang Dan, being non-executive Directors and Mr. Tam King Ching, Kenny, Mr. Ng Man Fung, Walter and Ms. On Danita, all being independent non-executive Directors.