
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Zhengwei Group Holdings Company Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



Zhengwei Group Holdings Company Limited 正味集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2147)

**(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES
FOR EVERY ONE (1) EXISTING SHARE HELD ON RECORD DATE ON
A NON-UNDERWRITTEN BASIS;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
道博資本有限公司

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

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 Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain 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 is no minimum subscription level or minimum amount to be raised under the Rights Issue.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 28 to 29 of this circular. A letter from Rainbow Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 30 to 62 of this circular.

A notice convening the EGM of the Company to be held at Room 1303, Rongchao Economic & Trade Center, Southeast Junction of Jintian Road and Fuzhong Road, Futian District, Shenzhen City, Guangdong Province, PRC on Monday, 7 September 2026 at 3:30 p.m., at which the above proposal will be considered, is set out in this circular. Whether or not you are able to attend the EGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude shareholders from attending and voting in person at the EGM if they so wish, in such event, the form of proxy shall be deemed to be revoked.

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the paragraph headed “Conditions of the Rights Issue” in the Letter from the Board. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Wednesday, 9 September 2026 and that dealing in the Rights Shares in the nil-paid form will take place from Tuesday, 22 September 2026 to Tuesday, 29 September 2026 (both days inclusive). Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on Thursday, 29 October 2026), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

This circular together with the form of proxy are also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zhengwei100.com).

21 August 2026

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EXPECTED TIMETABLE

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

Expected Timetable

2026

Latest time for lodging transfers of the Shares in order to qualify for attendance and voting at the EGM. 4:30 p.m. on
Monday, 31 August

Closure of register of members of the Company for determination of the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive). Tuesday, 1 September to
Monday, 7 September

Latest time for lodging proxy forms for the EGM 3:30 p.m. on
Saturday, 5 September

Record date for determining attendance and voting at the EGM Monday, 7 September

Expected time and date of the EGM 3:30 p.m. on
Monday, 7 September

Announcement of poll results of the EGM. Monday, 7 September

Effective Date of the Increase in Authorised Share Capital Monday, 7 September

Register of members of the Company re-opens Tuesday, 8 September

The following events are conditional upon passing the relevant resolution approving the Rights Issue at the EGM.

Last day of dealings in Shares on a cum-rights basis Tuesday, 8 September

First day of dealings in Shares on an ex-rights basis Wednesday, 9 September

Latest time for lodging transfer of Shares in order to qualify for the Rights Issue 4:30 p.m. on
Thursday, 10 September

Register of members of the Company closes for determining entitlements to the Rights Issue (both days inclusive) Friday, 11 September to
Thursday, 17 September

Record Date for determining entitlements to the Rights Issue Thursday, 17 September

Register of members of the Company re-opens. Friday, 18 September

EXPECTED TIMETABLE

Expected Timetable

2026

Despatch of the Prospectus Documents to the Qualifying Shareholders (in the case of the Non-Qualifying Shareholder(s), the Prospectus only)	Friday, 18 September
First day of dealing in nil-paid Rights Shares	Tuesday, 22 September
Latest time for splitting of the PAL(s)	4:30 p.m. on Thursday, 24 September
Last day of dealing in nil-paid Rights Shares.	Tuesday, 29 September
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 5 October
Announcement of the number of the Placing Shares subject to the Compensatory Arrangements	Tuesday, 6 October
Commencement of placing of the Placing Shares by the Placing Agent.	Wednesday, 7 October
Latest time of placing of the Placing Shares by the Placing Agent	6:00 p.m. on Wednesday, 28 October
Latest time for the Rights Issue and placing of the Placing Shares to become unconditional	4:00 p.m. on Thursday, 29 October
Announcement of results of the Rights Issue (including results of the placing of the Placing Shares and the amount of the Net Gain per Placing Share under the Compensatory Arrangements)	Tuesday, 3 November
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any.	Wednesday, 4 November
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Thursday, 5 November
Payment of Net Gain to relevant No Action Shareholders or Non-Qualifying Shareholders	Wednesday, 11 November

Dates or deadlines specified in expected timetable above or in other parts of this circular are indicative only and may be subject to change. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

The Prospectus, in both English and Chinese, will be made available on the Company's website (www.zhengwei100.com) and the Stock Exchange's website (www.hkexnews.hk). A notice of publication of the website version of the Prospectus, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Prospectus.

EXPECTED TIMETABLE

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

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or “extreme conditions” caused by super typhoons:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 5 October 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 5 October 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Monday, 5 October 2026, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 3 August 2026 in relation to, among others, the Rights Issue
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day(s) (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Zhengwei Group Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2147)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this circular
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolution will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue, the Placing and the transactions contemplated respectively thereunder

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	The proposed increase the authorised share capital of the Company from USD80,000,000 divided into 400,000,000 Shares of USD0.2 each to USD160,000,000 divided into 800,000,000 Shares of USD0.2 each by creating an additional 400,000,000 unissued Shares of USD0.2 each
“Independent Board Committee”	the independent board committee, 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 Agreement and the transactions contemplated respectively thereunder
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser of the Company appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than (i) the controlling shareholder of the Company; (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the EGM
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates

DEFINITIONS

“Last Trading Day”	Monday, 3 August 2026, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Practicable Date”	21 August 2026 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 5 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
“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 Placing Shares placed by the Placing Agent under the Placing Agreement)
“No Action Shareholders”	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, consider it necessary or expedient not to offer the Rights Issue to such Shareholder(s) on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose 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
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders

DEFINITIONS

“Placee(s)”	means any professional, institutional and other investor, independent of and not connected with the connected persons of the Company and their respective associates, whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to its obligations hereunder
“Placing”	arrangements to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	CNI Securities Group Limited, a corporation licensed to carry on type 1 (dealing in securities), Type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company to place the Placing Shares under the Compensatory Arrangements
“Placing Agreement”	the placing agreement dated 3 August 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
“Placing Period”	the period from Wednesday, 7 October 2026 up to 6:00 p.m. on Wednesday, 28 October 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
“Placing Share(s)”	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s)
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the proposed Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Friday, 18 September 2026, or such other day as may be determined by the Company for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders

DEFINITIONS

“Record Date”	Thursday, 17 September 2026 or such other date as may be determined by the Company for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Rights Issue”	the proposed issue of up to 403,200,000 Rights Shares by way of rights on the basis of six (6) Rights Shares for every one (1) existing 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)”	Shares to be allotted and issued under the proposed Rights Issue on the basis of six (6) Rights Shares for every one (1) existing Share in issue on the Record Date, being 403,200,000 Rights Shares based on the Company’s total number of issued Shares as at the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of USD0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.4 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Unsubscribed Rights Share(s)”	the number of unsubscribed Rights Share(s) not taken up by Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue
“%”	percentage

* *In this circular, the English translation of the Chinese names denoted is for illustration purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

LETTER FROM THE BOARD



Zhengwei Group Holdings Company Limited 正味集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2147)

Executive Directors:

Mr. Yang Shengyao
Mr. Wan Ming

Independent non-executive Directors:

Mr. Ye Sangzhi
Mr. Yu Chi Kit
Ms. Zhu Junbin

Registered Office:

71 Fort Street
PO Box 500, George Town
Grand Cayman KY1-1106
Cayman Islands

*Headquarters and Principal Place of
Business in the PRC:*

487 Yuhu Road
Xiaolan Economic Development and
Technology Zone
Nanchang
PRC

*Principal Place of Business
in Hong Kong:*

Unit 12, 12/F Tower A,
New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

Friday, 21 August 2026

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders (if any)

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF SIX (6) RIGHTS SHARES
FOR EVERY ONE (1) EXISTING SHARE HELD ON RECORD DATE ON
A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the announcement of the Company dated 3 August 2026 whereby the Board announced, among others, that the Company proposed to conduct the Rights Issue.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the Rights Issue and the notice of EGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility to raise funds by the Rights Issue, the Board proposes to increase the authorised share capital of the Company from USD80,000,000 divided into 400,000,000 Shares of USD0.2 each to USD160,000,000 divided into 800,000,000 Shares of USD0.2 each by creating an additional 400,000,000 unissued Shares of USD0.2 each. The proposed Increase in Authorised Share Capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

PROPOSED RIGHTS ISSUE

The Board proposes to conduct the Rights Issue on the basis of six (6) Rights Shares for every one (1) existing Share held on the Record Date. Set out below are the details of the Rights Issue.

Rights Issue Statistics

Basis of the Rights Issue	:	Six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.4 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	67,200,000 existing Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 403,200,000 Rights Shares (assuming (i) no change in the total number of Shares in issue from the date of this circular up to and including the Record Date and (ii) full subscription under the Rights Issue)
Total number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 470,400,000 Shares (assuming (i) no change in the total number of Shares in issue from the date of this circular up to and including the Record Date and (ii) full subscription under the Rights Issue)
Gross proceeds from the Rights Issue (before deducting the relevant expenses)	:	Up to approximately HK\$161.28 million (assuming (i) no change in the total number of Shares in issue from the Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue)

LETTER FROM THE BOARD

- Net proceeds from the Rights Issue (after deducting the estimated relevant expenses) : Up to approximately HK\$160.43 million (assuming (i) no change in the total number of Shares in issue from the Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue)
- Right of excess applications : There will not be excess application arrangements in relation to the Rights Issues.

As at the Latest Practicable Date, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming no Shares are issued or repurchased on or before the Record Date, the maximum number of 403,200,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 600% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 85.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.4 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess 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 discount of approximately 28.57% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 28.57% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 28.57% to the average closing prices of HK\$0.56 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up immediately prior to the Last Trading Day;
- (iv) a discount of approximately 28.57% to the average closing price of HK\$0.56 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day;
- (v) a discount of approximately 5.41% to the theoretical ex-rights price of HK\$0.4229 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (vi) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.49%, represented by the theoretical diluted price of approximately HK\$0.4229 per Share to the benchmarked price of approximately HK\$0.56 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day); and
- (vii) a discount of approximately 92.87% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2025 of approximately RMB4.83 (equivalent to approximately HK\$5.61) per Share, which is calculated by dividing the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately RMB324.85 million (equivalent to approximately HK\$377.11 million) as at 31 December 2025 as set out in the interim report of the Company for the six months ended 31 December 2025 by the number of Shares as at the Last Trading Day.

The Subscription Price was determined with reference to the following factors:

- (i) based on the review of the recent movement of the closing prices of the Shares as quoted on the Stock Exchange from 1 August 2025 to the Last Trading Day (the “**Review Period**”), after the Shares price reached the highest of HK\$1.34 on 30 October 2025, it has since then exhibited a general downward trend for over nine months up to the Last Trading Day, reaching the lowest of HK\$0.455 on 18 and 19 May 2026, and HK\$0.56 of the Last Trading Day. The Subscription price represented a discount of approximately 28.57% to the closing price of the Shares on the Last Trading Day, and 12.09% to the lowest closing price of the Shares during the Review Period;
- (ii) the average daily trading volume of the Shares as quoted on the Stock Exchange during the Review Period, was approximately 354,000 shares, representing approximately 0.5% of the total number of Shares in issue as at Latest Practicable Date;
- (iii) the Group recorded gross loss of approximately RMB12.2 million for 18M2025 as compared to gross profit of approximately RMB147.3 million for FY2023, and changed from net profit of approximately RMB67.5 million for FY2023 to net loss of approximately RMB108.8 million for 18M2025. Despite the improvement in gross profit margin for 6M2025, the Group still recorded net loss of approximately RMB27.8 million for 6M2025. As a result of the loss-making performance, the Group recorded net cash used in operating activities of approximately RMB157.2 million and RMB261.8 million for 18M2025 and 6M2025, respectively. As at 31 December 2025, the Group had borrowings of RMB200.0 million, which were repayable within one year and recognised as current liabilities. On the other hand, the Group only had cash balance of approximately RMB8.5 million, which were largely insufficient to cover the Group’s payment obligations on borrowings. As such, the Group is in need of financial resources to settle its outstanding borrowings, and has encountered pressures on liquidity and is in need for fund raising to relieve its liquidity pressure;

LETTER FROM THE BOARD

- (iv) the borrowings were made to satisfy the increased capital needs of the Group, in particular for the payment of the deposit of RMB150 million pursuant to an import agency agreement (the “**Agreement**”) with Shanghai Food Import and Export Poultry Co., Ltd. (上海市食品進出口家禽有限公司) (the “**Agent**”), under to which the Agent is appointed as import agent for importing chicken and beef raw materials to the Group, further details of which are set out in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in this circular.

Taking into account (i) the recent downward trend of the trading price of the Shares; (ii) the low trading volume of the Shares during the Review Period; (iii) the financial position and performance of the Group, the Board is of the view that it is necessary for the Company to set the Subscription Price at a discount to the prevailing market prices in order to increase the attractiveness and encouraging Shareholders to participate in the Rights Issue so as to meet the Company’s need for additional funding.

The Directors (including the independent non-executive Directors) consider that, despite the dilution impact and the discount in the Subscription Price to the benchmark prices of the proposed Rights Issue, the Subscription Price is fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors:

- (i) considering the recent downward trend of the trading price of the Shares, the low trading volume of the Shares during the Review Period and the financial position and performance of the Group as discussed above, it is reasonable and necessary to set the Subscription Price at a discount to the recent market prices so as to attract the investors to participate in the Rights Issue;
- (ii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market;
- (iii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and an opportunity to subscribe for excess Rights Shares subject to the level of acceptance; and
- (iv) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

As at the Latest Practicable Date, save for Mr. Yang Shengyao (“**Mr. Yang**”) and Ms. Lin Qiuyun (“**Ms. Lin**”) who have undertaken to participate in the Rights Issue by procuring Shengyao Investment and Trendy Peak, which are ultimately wholly-owned by Mr. Yang and Ms. Lin respectively, to fully take up the Rights Shares provisionally allotted thereto (the “**Undertakings**”), the Company has not received any information or irrevocable undertaking from any Shareholder of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue will be conditional upon:

- (i) the Increase in Authorised Share Capital having become effective;
- (ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;
- (iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus Document on the website of the Stock Exchange on or before the Prospectus Posting Date; and
- (v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked).

None of the above conditions can be waived. As at the date of this circular, none of the conditions has been satisfied.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best effort basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum subscription amount required to be raised from the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

LETTER FROM THE BOARD

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited 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. Shareholders with their Shares held by nominee companies (or which are deposited 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 members of the Company on the Record Date for the Rights Issue, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on Thursday, 10 September 2026.

The last day of dealing in the Shares on cum-rights basis is Tuesday, 8 September 2026. The Shares will be dealt with on an ex-rights basis from Wednesday, 9 September 2026.

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

Rights of Overseas Shareholders

As at the Latest Practicable Date, based on the register of members of the Company, the Company did not have any Overseas Shareholders or Non-Qualifying Shareholders.

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. In the event that additional Overseas Shareholder(s) is/are identified as at the Record Date, such Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.

In the event additional Overseas Shareholder(s) is/are identified as at the Record Date, pursuant to Rule 13.36(2) of the Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholder(s) (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholder(s) on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

LETTER FROM THE BOARD

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, be aggregated and made available for excess applications by the Qualifying Shareholders who wish to apply for the Right Shares over and above their assured allotments.

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

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. On Monday, 3 August 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best effort basis, any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 6:00 p.m. on Wednesday, 28 October 2026, placees to subscribe for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing 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 a 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 Non-Qualifying 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 benefit.

LETTER FROM THE BOARD

Placing Agreement for Unsubscribed Rights Shares and the NQS Unsold Rights Shares

Details of the Placing Agreement are summarised below:

Date: Thursday, 3 August 2026 (after trading hours)

Issuer: The Company

Placing Agent: CNI Securities Group Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.

Placing Period: The period from Wednesday, 7 October 2026 up to 6:00 p.m. on Wednesday, 28 October 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing.

Commission and Expenses: The Company shall pay the Placing Agent a placing commission equivalent to 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Placing Shares which are successfully placed by the Placing Agent.

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

Placing price: The placing price of each of the Placing Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable).

Placees: The Placing Shares will be placed to the Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

For the avoidance of doubt, none of the Placees shall become a substantial shareholder of the Company.

LETTER FROM THE BOARD

Ranking of the Placing Shares: The placed Placing Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.

Conditions Precedent: The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:

- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before 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; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the above conditions (other than the condition set out in paragraph (i) above) by notice in writing to the Company. The Company shall use its best endeavours to procure the fulfilment of such conditions precedent by 4:00 p.m. on Thursday, 29 October 2026 (the “**Long Stop Date**”). If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

LETTER FROM THE BOARD

Termination:

The Placing Period shall end at 6:00 p.m. on Wednesday, 28 October 2026 or any other date by mutual agreement between the Placing Agent and the Company.

The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time on or prior to the Long Stop Date if any of the following events occur at any time prior to the Long Stop Date:

- (a) in the reasonable opinion of the Placing Agent, there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Long Stop Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If notice of termination is given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

LETTER FROM THE BOARD

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent 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 NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders. The Company will ensure compliance with the public float requirements under Rule 13.32B of the Listing Rules following completion of the Rights Issue and the Placing. After the Placing Period, it is expected that none of the placees shall become a substantial Shareholder.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's Shareholders because:

- (i) they are in compliance with 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 NQS 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 commission 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 would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable; and
- (iii) the terms of the Placing Agreement, including the placing commission, are on normal commercial terms.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 1 September 2026 to Monday, 7 September 2026 (both days inclusive) for determining the Shareholders' entitlements to the voting at the EGM.

The register of members of the Company will be closed from Friday, 11 September 2026 to Thursday, 17 September 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

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

LETTER FROM THE BOARD

Basis of provisional allotment

The basis of the provisional allotment shall be six (6) Rights Shares for every one (1) existing 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.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of six (6) Right Shares for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders. No entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders.

No odd lot arrangement in respect of the Rights Issue

As no odd lots of the Shares are expected to result from the Rights Issue, no odd lot matching services will be provided by the Company in respect of the Rights Issue.

Status of the Rights Shares

The Rights Shares, when allotted and issued, 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 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 fulfillment 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 Wednesday, 4 November 2026. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Wednesday, 4 November 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

No Fractional Entitlement

No fractional entitlements to the Rights Shares will be provisionally allotted to the Qualifying Shareholders. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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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.

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 trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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 in the board lots of 30,000 Rights Shares and 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.

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 Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

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

The Group is principally engaged in sourcing, processing and trading of dried delicacies, snacks, dried aquatic products, grains, bakery products and seasonings and others in the PRC.

As disclosed in the interim report of the Company for the six months ended 31 December 2025 (the “**Interim Report**”), the cash and cash equivalents of the Group amounted to approximately RMB8.54 million, while bank borrowings of the Group that are repayable in the next 12 months amounted to RMB200 million. As at 31 December 2025, the gearing ratio of the Group, computed by total borrowings divided by total equity, was approximately 61.57%. Therefore, the Group is in need of financial resources to settle its outstanding bank borrowings.

LETTER FROM THE BOARD

The bank borrowings were made to satisfy the increased capital needs of the Group. As disclosed in the Interim Report, as at 31 December 2025, prepayments, deposits and other receivables of the Group amounted to approximately RMB176.50 million, among which RMB150 million represented refundable deposits made to an import agent (the “**Agent**”), Shanghai Food Import and Export Poultry Co., Ltd. (上海市食品進出口家禽有限公司), for purchases of food products. The Group entered into an import agency agreement (the “**Agreement**” with the Agent in September 2025, pursuant to which the Agent is appointed as import agent (the “**Arrangement**”). The Company’s chicken feet business has been facing a bottleneck in sales for the recent years. Based on the management’s analysis, the primary cause is that the Company mainly relied on third or fourth tier suppliers for import of raw materials, leading to instability in both the volume and price of supply, which in turn affected the Company’s sales performance and profit. In mid-2023, the Company began to search for a new supplier for the products, and became acquainted with the Agent in March 2024 through referral by business connections. The Agent is wholly-owned by Shanghai Wufeng Business Co., Ltd. (上海五豐商務有限公司), a PRC state-owned enterprise, and an Independent Third Party which specialises in the import of chicken feet and chicken by-products from various countries, holding the requisite import licences, customs clearance qualifications and permits required for the import of food products into the PRC. It collaborates with overseas factories in Brazil, Russia, Thailand, Argentina and other countries. By entering into the Agreement, the Group could secure supply of high-quality chicken feet raw materials with stable volume and price, which could in turn improve the performance of the Group’s chicken feet business. There were no prior transactions between the Group and the Agent prior to entering into the Arrangement.

According to the Agreement, the Group has paid a deposit of RMB150 million (the “**Deposit**”) to secure the performance of the Group’s obligations under the Agreement. The Deposit will be refunded to the Group after termination of the arrangement with the Agent. As such, the Group has taken out the bank borrowings of RMB200 million to fund the payment of the Deposit. The term of the Agreement is one (1) year, commencing from September 2025 and ending on September 2026, and the Group expects to enter into a renewal agreement to continue the arrangement with the Agent by the end of the current term of the Agreement. The bank borrowings will be due in October 2026 and the Group expects that the arrangement with the Agent will remain in place as the Group is in negotiation with the Agent to enter into a renewal agreement in September 2026, hence the Deposit will not have been refunded yet at the time of the bank borrowings’ maturity. There is no interest rate or collateral in respect of the Deposit. As the Company will receive the proceeds from the Rights Issue after completion of the Rights Issue and the Placing in November according to the expected timetable, the Group is in negotiation with the relevant bank for a short term extension of the maturity date of the existing borrowings for three to six months. However, such extension is not guaranteed, and if the bank eventually does not agree with such extension or if the Rights Issue is undersubscribed, the Company may have to consider placing of new Shares as an alternative financing option to raise proceeds for meeting its repayment obligation of the bank borrowing.

LETTER FROM THE BOARD

Prior to entering into the arrangement with the Agent, the Company has taken the following steps to assess the Agent's credit and repayment ability: (a) the Company has conducted corporate searches and verified that the Agent is wholly-owned by Shanghai Wufeng Business Co., Ltd. (上海五豐商務有限公司), a state-owned enterprise. The Company also verified that the Agent holds the requisite import licences, customs clearance qualifications and permits required for the import of food products into the PRC; (b) the Company confirmed the Agent's business reputation through market research, discussion with the business connections that introduced the Agent to the Company, and enquiries into the Agent's experience and expertise in the import of chicken feet and chicken by-products, including its established relationships with overseas suppliers; (c) the Company reviewed the financial information of the Agent and assessed the Agent's financial standing and creditworthiness, taking into account its state-owned background and the financial support available to state-owned enterprises generally; (d) the Company also confirmed with the Agent that it is the Agent's practice to request deposits from its other customers, which is consistent with market practice for import agents of a similar scale.

The Company has put in place the following internal control measures to monitor the recoverability and ongoing status of the Deposits: (a) the Company's finance team conducts regular reconciliation of the Deposit balance recorded in the Company's books against statements or confirmations received from the Agent, to ensure that the full Deposit balance remains intact; (b) the Company's management monitors the status and progress of purchase orders placed with the Agent on an ongoing basis, to ensure that the procurements are proceeding in accordance with the terms of the Agreement; (c) the Deposits are subject to review by the Company's auditors as part of their regular audit procedures, including verification of the Deposit balance and assessment of recoverability; (d) the Board and senior management receive regular updates on the status of the Deposits and the progress of the procurement activities under the Arrangement. Any material development that may affect the recoverability of the Deposits is required to be reported to the Board promptly; and (e) in the event of any material adverse development that could affect the recoverability of the Deposits, the management is required to escalate the matter to the Board immediately, and the Company would take all appropriate steps to protect its interests, including making demand for repayment of the Deposits and seeking legal remedies against the Agent as appropriate.

The Board has fully assessed the Arrangement, including the payment of the Deposit, and is of the view that it aligns with market practice and is fair and reasonable and in the interests of the Company and its shareholders as a whole, based on the following considerations: (a) the Company's chicken feet business has been facing a bottleneck in sales due to the fact that the Company mainly relied on third or fourth tier suppliers for import of raw materials, leading to instability in both the volume and price of supply, which in turn affected the Company's sales performance and profit. The Arrangement directly addresses this issue by enabling the Company to secure a stable and high quality supply of chicken feet raw materials at stable volumes and pricing through the Agent; (b) the Agent is a PRC state-owned enterprise which specialises in the import of chicken feet and chicken by-products from various countries, holding requisite import licences, customs clearance qualifications and permits required for the import of food products into the PRC, and collaborates with overseas factories in Brazil, Russia, Thailand, Argentina and other countries. The Agent's state-owned background and industry standing provide a reasonable degree of assurance as to its reliability and ability to perform its obligations under the Arrangement; (c) the Company has conducted market research and understands that it is established market practice for import agents of a similar scale and nature to require their customers to provide deposits as security for performance. The Company has confirmed that the Agent requests deposits for its other customers as well, which supports the view that the Deposit requirement is a standard commercial term; (d) the amount of the Deposit was determined with reference to the estimated annual

LETTER FROM THE BOARD

purchase amount of approximately RMB400 to 500 million, representing around 30% of the estimated annual purchase amount. The Board considers this to be within a commercially reasonable range for a deposit securing the performance of procurement obligations. The Deposit is refundable upon termination of the Arrangement; and (e) the Arrangement is expected to improve the stability and quality of the Company's raw material supply, which the Board believes will enhance the Company's sales performance and profitability, and is therefore in the long-term interests of the Company and its shareholders as a whole. The Company confirms that the revenue and profit generated from the Group's chicken fee business have improved substantially since entering into the Arrangement.

Taking into account all of the above factors, the Company is of the view that the Arrangement, including the payment of the Deposits, aligns with market practice and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Assuming full subscription under the Rights Issue, the maximum amount of gross proceeds and net proceeds (after deducting related expenses) from the Rights Issue will be approximately HK\$161.28 million and HK\$160.43 million, respectively. The Company intends to apply 100% of the net proceeds from the Rights Issue for repayment of the Group's bank borrowings.

Although the net proceeds of the Rights Issue (assuming full subscription) will be approximately HK\$160.43 million (equivalent to approximately RMB138.9 million), which is lower than the Group's bank borrowings of RMB200.0 million due in October 2026, the Group intends to use its cash balance and the collection of trade receivables to satisfy such shortfall. Based on the Group's latest unaudited consolidated management accounts, as at 31 July 2026, the Group had cash and cash equivalents of approximately RMB10 million and trade receivables of approximately RMB300 million. With reference to the 2025 Interim Report, as at 31 December 2025, the Group had trade receivables of approximately RMB376.9 million, among which approximately RMB101.6 million, RMB106.5 million, RMB94.7 million and RMB74.2 million were due within 1 month, 1 to 2 months, 2 to 3 months and 3 to 6 months, respectively. The credit terms of the Group's trade receivables are generally 30 to 90 days. In view of the Group's cash balance and trade receivables position as at 31 July 2026, the credit term of the Group's trade receivables and the ageing analysis of the Group's trade receivables as at 31 December 2025, the Company is of the view that the net proceeds of the Rights Issue are sufficient to fulfil the Group's fundings needs after considering the Group's cash balance and trade receivables position as at 31 July 2026.

In the event that there is an under-subscription of the Rights Issue, 100% of the net proceeds to be raised will be applied towards the repayment of the Group's outstanding bank borrowings.

Other fundraising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer. In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

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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, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid Rights Shares in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company. The Placing arrangement, which involves the placement of the Placing Shares at the Subscription Price, serves to maximise the funds to be raised.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted. In the event of an under-subscription of the Rights Issue or should the Rights Issue not proceed, the Group intends to explore alternative sources of financing to meet its funding needs, including but not limited to the placing of new Shares, borrowings from major Shareholders and/or undertakings from major Shareholders to provide additional funding as and when required. In such event, the Group would prioritise the deployment of available funds towards the research and development projects relating to (a) high-throughput fermentation and (b) correlation between microbiota and health food first, given their more immediate relevance to the Group's existing product portfolio and shorter implementation timelines.

Listing Rules Implications in respect of the Deposit

Pursuant to Rule 13.13 of the Listing Rules, the payment of the Deposit constituted financial assistance and guarantees provided by the Group to the Agent, which exceeded 8% under the asset ratio (as defined in the Listing Rules). Hence the payment of the Deposit is subject to the announcement obligations under Rule 13.15 of the Listing Rules, and the Company should have disclosed the details relating to the Deposit as soon as practicable.

However, since the Deposit was paid in the Group's ordinary course of business for securing supply of raw materials, the Company mistakenly considered that the Deposit did not constitute financial assistance hence an advance to an entity under Rule 13.13 of the Listing Rules, resulting in a delay in meeting the announcement requirements. The Company considers that such non-compliance incident is a one-off inadvertent and unintentional misinterpretation of the Listing Rules by the Company.

LETTER FROM THE BOARD

In order to avoid the recurrence of similar non-compliance in the future, the following remedial measures will be taken by the Group:

- (i) arranging training for the Group's senior management and relevant staff of the financial department of the Company to reinforce their understanding of the Listing Rules, in particular Chapter 13 of the Listing Rules; and
- (ii) monitoring the level of advances to ensure compliance with Rules 13.13 and 13.15 of the Listing Rules, and where necessary, performing size tests, and assessing and complying the applicable Listing Rules requirements.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (iii) immediately after completion of the Rights Issue and the Placing, assuming no subscription by the Qualifying Shareholders and all the Placing Shares are placed to Independent Third Parties under the Placing:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming full acceptance by all Qualifying Shareholders under the Rights Issue)		Immediately after completion of the Rights Issue and the Placing (assuming no subscription by the Qualifying Shareholders save subscriptions by Mr. Yang and Ms. Lin Qiuyun through Shengyao Investment and Trendy Peak pursuant to the Undertakings and all the Placing Shares are placed to Independent Third Parties under the Placing)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Mr. Yang Shengyao (楊聲耀)						
("Mr. Yang") and						
Ms. Lin Qiuyun (林秋雲)						
("Ms. Lin") (Note 1)	14,164,443	21.08	99,151,101	21.08	71,227,029	15.14
Placees	–	–	–	–	346,137,414	73.59
Public Shareholders	53,035,557	78.92	371,248,899	78.92	53,035,557	11.28
Total	67,200,000	100.00	470,400,000	100.00	470,400,000	100.00

LETTER FROM THE BOARD

Note:

1. As at the Latest Practicable Date, (i) Shengyao Investment Group Limited (“**Shengyao Investment**”), a corporation owned as to 100% by Mr. Yang, held 9,510,373 Shares, (ii) Prosperous Season Group Limited (“**Prosperous Season**”), a corporation wholly owned by Nanchang Tongli Enterprise Management Center (Limited Partnership)* (南昌市同利企業管理中心(有限合伙)), which is a limited partnership managed and controlled by Mr. Yang as the general partner, held 4,654,012 Shares and (iii) Trendy Peak International Limited (“**Trendy Peak**”), a corporation owned as to 100% by Ms. Lin, held 58 Shares, and Mr. Yang and Ms. Lin are spouses of each other. Hence, Mr. Yang is deemed to be interested in all the Shares held by Shengyao Investment and Prosperous Season, and Ms. Lin is deemed to be interested in all the Shares held by Trendy Peak, and Mr. Yang and Ms. Lin are deemed to be interested in all the Shares held by the other by virtue of Part XV of the SFO.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the fund raising activity set out below, the Company has not conducted any other equity fund raising activities in the twelve (12) months immediately preceding from the date of the Announcement.

Date of announcement	Event	Net proceeds as announced (approximate)	Intended use of proceeds as announced	Actual use of proceeds
30 December 2025 and 22 January 2026	Placing of new shares under general mandate	Approximately HK\$8.71 million	Approximately 80.4% of the net proceeds will be used for the payment of advertising fees; and approximately 19.6% of the net proceeds will be used for the payment of staff salaries	All net proceeds have been used for the intended purpose

As at the Latest Practicable Date, the Company has no concrete plan to undertake any fundraising activities within the next 12 months following completion of the Rights Issue. However, should additional funding be required, the Company will consider other fundraising activities if the terms are in the interests of the Company and its Shareholders as a whole. The Company will make appropriate disclosure in accordance with the Listing Rules should any definitive fundraising plan be determined.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on 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. The Company does not have any controlling Shareholder as defined under the Listing Rules as at the Latest Practicable Date. Mr. Yang, who is an executive Director, is interested in 14,164,443 Shares, representing approximately 21.08% of the Company's total issued Shares, and Mr. Wan, who is an executive Director, is interested in 1,194,000 Shares, representing approximately 1.78% of the Company's total issued Shares. Accordingly, Mr. Yang and Mr. Wan and their respective associates shall abstain from voting at the EGM. No Shareholder has informed the Company that he/she/it intends to vote in favour of or against the proposed resolutions in connection with the Rights Issue as at the Latest Practicable Date. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ye Sangzhi, Mr. Yu Chi Kit and Ms. Zhu Junbin, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement 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 EGM, taking into account the recommendations of Rainbow Capital, appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement are fair and reasonable.

The EGM will be convened and held to consider, and, if thought fit, to approve, among other matters, the Rights Issue and the transactions contemplated respectively thereunder.

In order to be registered as members of the Company on the record date for attending and voting at the EGM, all transfers of the Shares (together with the relevant share certificate(s) and/ or instrument(s) of transfer) must be lodged with the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on Monday, 31 August 2026.

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

LETTER FROM THE BOARD

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and full-paid forms. Accordingly, the proposed Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 5 August 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 22 September 2026 to Tuesday, 29 September 2026 (both days inclusive). 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 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). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the proposed Rights Issue is subject are fulfilled will accordingly bear the risk that the proposed Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RECOMMENDATION

The Directors consider that the terms of the Rights Issue are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, therefore, the Directors recommend the Independent Shareholders to vote in favour of the proposed resolution approving the Rights Issue at the EGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Zhengwei Group Holdings Company Limited
Mr. Yang Shengyao
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Zhengwei Group Holdings Company Limited

正味集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2147)

21 August 2026

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders (if any)

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF SIX (6) RIGHTS SHARES
FOR EVERY ONE (1) EXISTING SHARE HELD ON RECORD DATE ON
A NON-UNDERWRITTEN BASIS**

We have been appointed to form an independent board committee to consider and advise you on the terms of the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement and the voting recommendation on the relevant resolution, details of which are set out in the circular issued by the Company to the Shareholders dated 21 August 2026 (the “Circular”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from Rainbow Capital set out on pages 6 to 7 and pages 30 to 62 of the Circular, respectively, and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the background of and reasons for the Rights Issue and Placing Agreement and having taken into consideration of the advice of Rainbow Capital, in relation thereto as set out on pages 30 to 62 of the Circular, we concur with the view of Rainbow Capital and consider that the terms of the Increase in Authorised Share Capital, the Rights Issue (including the Subscription Price and the subscription ratio) and the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions.

Yours faithfully,

For and on behalf of the Independent Board Committee of

Zhengwei Group Holdings Company Limited

Mr. Ye Sangzhi

Mr. Yu Chi Kit

Ms. Zhu Junbin

Independent non-executive Directors

LETTER FROM RAINBOW CAPITAL

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 Agreement and the transactions contemplated thereunder which has been prepared for the purpose of inclusion in this circular.



RAINBOW CAPITAL (HK) LIMITED
宏 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 SIX (6) RIGHTS SHARES
FOR EVERY ONE (1) EXISTING SHARE HELD ON 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 Agreement 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 six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.4 per Rights Share, to raise gross proceeds of up to approximately HK\$161.28 million (assuming full subscription under the Rights Issue) by issuing up to 403,200,000 Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced accordingly.

LETTER FROM RAINBOW CAPITAL

Listing Rules Implications

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on 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. The Company does not have any controlling Shareholder as defined under the Listing Rules as at the Latest Practicable Date. Mr. Yang, who is an executive Director, is interested in 14,164,443 Shares, representing approximately 21.08% of the Company's total issued Shares, and Mr. Wan, who is an executive Director, is interested in 1,194,000 Shares, representing approximately 1.78% of the Company's total issued Shares. Accordingly, Mr. Yang and Mr. Wan and their respective associates shall abstain from voting at the EGM.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. 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. Ye Sangzhi, Mr. Yu Chi Kit and Ms. Zhu Junbin, has been established to provide recommendations to the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreement 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 EGM. 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. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with 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 Agreement and the transactions contemplated thereunder.

LETTER FROM RAINBOW CAPITAL

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the annual report of the Company for the eighteen months ended 30 June 2025 (the “**2025 Annual Report**”) and the interim report of the Company for the six months ended 31 December 2025 (the “**2025 Interim Report**”); (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 EGM, 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 Agreement and the transactions contemplated thereunder, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Group is principally engaged in sourcing, processing and trading of dried delicacies, snacks, dried aquatic products, grains, bakery products and seasonings and others in the PRC.

LETTER FROM RAINBOW CAPITAL

Set out below is a summary of the financial information of the Group for (i) the twelve months ended 31 December 2023 (“**FY2023**”) and the eighteen months ended 30 June 2025 (“**18M2025**”) as extracted from the 2025 Annual Report; and (ii) the six months ended 30 June 2024 (“**6M2024**”) and the six months ended 31 December 2025 (“**6M2025**”) as extracted from the 2025 Interim Report:

(i) Financial performance

	FY2023	18M2025	6M2024	6M2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	445,214	938,123	298,106	413,351
Cost of sales	(297,954)	(950,338)	(297,019)	(390,364)
Gross profit/(loss)	147,260	(12,215)	1,087	22,987
Other income	6,355	4,185	3,677	43
Other gains and losses, net	(164)	(4,948)	–	(18,247)
Distribution and selling expenses	(32,821)	(13,188)	(6,751)	(21,370)
Administrative expenses	(36,632)	(39,839)	(18,785)	(9,215)
Impairment losses recognised, net of reversal	120	(4,386)	–	–
Listing expenses	(4,515)	–	–	–
Finance costs	(2,904)	(81)	(145)	(1,145)
Profit/(loss) before income tax	76,699	(70,472)	(20,917)	(26,947)
Income tax expense	(9,182)	(38,280)	(19,653)	(811)
Profit/(loss) attributable to the Shareholders	67,517	(108,752)	(40,570)	(27,758)

18M2025 compared to FY2023

Revenue of the Group increased from approximately RMB445.2 million for FY2023 to approximately RMB938.1 million for 18M2025, representing an increase of approximately 110.7% (or approximately 40.5% on a pro-rata basis). The increase was primarily attributable to the increase in sales from trading of dried food products, seasonings and others.

LETTER FROM RAINBOW CAPITAL

Despite the increase in revenue as mentioned above, the Group recorded gross loss of approximately RMB12.2 million for 18M2025, as compared to gross profit of approximately RMB147.3 million for FY2023. It was primarily attributable to the significant increase in direct material costs resulting in the significant increase in cost of sales outweighing the corresponding increase in revenue and the write-off of inventories for 18M2025. It was also due to the significant inventory loss incurred caused by the extreme rainfall event on 28 March 2025, represents a material financial event for the Company. This incident has directly resulted in an estimated immediate financial loss of approximately RMB37 million, stemming from the complete write-off of water-damaged raw materials, including various types of dried seafood and mushrooms.

The Group's recorded a change from profit attributable to the Shareholders of approximately RMB67.5 million for FY2023 to loss attributable to the Shareholders of approximately RMB108.8 million for 18M2025, primarily attributable to (a) the change from gross profit to gross loss as mentioned above; (b) the increase in net other losses by approximately RMB4.8 million mainly due to the increase in the loss on disposal of property, plant and equipment by approximately RMB6.5 million; and (c) the recognition of impairment losses of approximately RMB4.4 million for 18M2025 as compared to the recognition of reversal of impairment losses of approximately RMB0.1 million for FY2023. Such change was partially offset by (a) the decrease in distribution and selling expenses by approximately RMB19.6 million, mainly due to the decrease in material consumption, staff salaries and advertising fee; and (b) the decrease in listing expenses by approximately RMB4.5 million as the Shares was successfully listed on the Stock Exchange in January 2023.

6M2025 compared to 6M2024

Revenue of the Group increased by approximately 38.7% from approximately RMB298.1 million for 6M2024 to approximately RMB413.4 million for 6M2025, primarily attributable to the increase in sales from trading of dried delicacies, dried aquatic products and poultry and meat products.

Owing to that the increase in revenue outweighed the increase in cost of sales, the Group's gross profit increased by approximately 2,014.7% from approximately RMB1.1 million for 6M2024 to approximately RMB23.0 million for 6M2025.

The Group's loss attributable to the Shareholders decreased by approximately 31.6% from approximately RMB40.6 million for 6M2024 to approximately RMB27.8 million for 6M2025, primarily attributable to (a) the increase in revenue and gross profit as mentioned above; (b) the decrease in administrative expenses by approximately RMB9.6 million mainly due to the decrease in depreciation and research and development expenses; and (c) the decrease in income tax expense by approximately RMB18.8 million. Such decrease was partially offset by (a) the increase in net other losses by approximately RMB18.2 million mainly due to the recognition of loss on disposal of property, plant and equipment; and (b) the increase in distribution and selling expenses by approximately RMB14.6 million mainly due to the increase in advertising and salaries and benefits expenses.

LETTER FROM RAINBOW CAPITAL

(ii) Financial position

	As at 31 December 2023 RMB'000 (audited)	As at 30 June 2025 RMB'000 (audited)	As at 31 December 2025 RMB'000 (unaudited)
Non-current assets, including:	125,126	42,317	3,765
Property, plant and equipment	107,149	29,294	1,442
Right-of-use assets	6,032	3,142	2,323
Prepayment for acquisition of land use rights	9,525	9,525	–
Current assets, including:	397,650	365,887	617,274
Inventories	98,272	71,970	55,020
Trade receivables	92,300	228,153	376,945
Prepayments, deposits and other receivables	7,736	7,694	176,502
Cash and cash equivalents	199,186	54,644	8,541
Total assets	522,776	408,204	621,039
Current liabilities, including:	85,841	55,593	295,731
Trade payables	48,360	46,722	83,871
Borrowings	18,199	–	200,000
Non-current liabilities	–	–	455
Total liabilities	85,841	55,593	296,186
Equity attributable to the Shareholders	436,935	352,611	324,853

As at 31 December 2025, total assets of the Group amounted to approximately RMB621.0 million, mainly composed of (a) inventories of approximately RMB55.0 million, representing the Group's finished goods; (b) trade receivables of approximately RMB376.9 million; (c) prepayments, deposits and other receivables of approximately RMB176.5 million, mainly including refundable deposits of RMB150.0 million made to an import agent for purchases; and (d) cash and cash equivalents of approximately RMB8.5 million.

LETTER FROM RAINBOW CAPITAL

As at 31 December 2025, total liabilities of the Group amounted to approximately RMB296.2 million, mainly composed of (a) trade payables of approximately RMB83.9 million; and (b) borrowings of RMB200.0 million which were interest-bearing at 3.7% per annum and repayable within one year.

As at 31 December 2025, the Group recorded equity attributable to the Shareholders of approximately RMB324.9 million with gearing ratio (being borrowings divided by total equity) of approximately 61.6%.

2. Reasons for the Rights Issue and use of proceeds

Assuming full subscription under the Rights Issue, the maximum amount of gross proceeds and net proceeds (after deducting related expenses) from the Rights Issue will be approximately HK\$161.28 million and HK\$160.43 million, respectively. The Company intends to apply 100% of the net proceeds from the Rights Issue for repayment of the Group's bank borrowings. In the event that there is an under-subscription of the Rights Issue, 100% of the net proceeds to be raised will be applied towards the repayment of the Group's outstanding bank borrowings.

As stated in the section headed "1. Background of the Group" above, the financial performance of the Group has been negatively impacted by the extreme rainfall event on 28 March 2025 which caused a substantial and unexpected impairment of inventory losses of approximately RMB37 million. Accordingly, the Group recorded gross loss of approximately RMB12.2 million for 18M2025 as compared to gross profit of approximately RMB147.3 million for FY2023, and changed from net profit of approximately RMB67.5 million for FY2023 to net loss of approximately RMB108.8 million for 18M2025. Despite the improvement in gross profit margin for 6M2025, the Group still recorded net loss of approximately RMB27.8 million for 6M2025. As a result of the loss-making performance, the Group recorded net cash used in operating activities of approximately RMB157.2 million and RMB261.8 million for 18M2025 and 6M2025, respectively. As at 31 December 2025, the Group had borrowings of RMB200.0 million, which were repayable within one year and recognised as current liabilities. On the other hand, the Group only had cash balance of approximately RMB8.5 million, which were largely insufficient to cover the Group's payment obligations on borrowings. As such, the Group is in need of financial resources to settle its outstanding borrowings.

LETTER FROM RAINBOW CAPITAL

With reference to the Letter from the Board, the borrowings were made to satisfy the increased capital needs of the Group. In September 2025, the Group entered into an import agency agreement (the “**Agreement**”) with Shanghai Food Import and Export Poultry Co., Ltd. (上海市食品進出口家禽有限公司) (the “**Agent**”), pursuant to which the Agent is appointed as import agent for importing chicken and beef raw materials to the Group (the “**Arrangement**”). The Company’s chicken feet business has been facing a bottleneck in sales for the recent years. Based on the management’s analysis, the primary cause is that the Company mainly relied on third or fourth tier suppliers for import of raw materials, leading to instability in both the volume and price of supply, which in turn affected the Company’s sales performance and profit. In mid-2023, the Company began to search for a new supplier for the products, and became acquainted with the Agent in March 2024 through referral by business connections. The Agent is wholly-owned by Shanghai Wufeng Business Co., Ltd. (上海五豐商務有限公司), a PRC state-owned enterprise, and an Independent Third Party which specialises in the import of chicken feet and chicken by-products from various countries, holding the requisite import licences, customs clearance qualifications and permits required for the import of food products into the PRC. It collaborates with overseas factories in Brazil, Russia, Thailand, Argentina and other countries. By entering into the Agreement, the Group could secure supply of high-quality chicken feet raw materials with stable volume and price, which could in turn improve the performance of the Group’s chicken feet business. There were no prior transactions between the Group and the Agent prior to entering into the Arrangement. We have obtained and reviewed the Agreement, and noted that as stipulated in the Agreement, the Group has paid a refundable deposit of RMB150.0 million to secure the performance of the Group’s obligations under the Agreement. The term of the Agreement is one (1) year, commencing from September 2025 and ending on September 2026, and the Group expects to enter into a renewal agreement to continue the arrangement with the Agent by the end of the current term of the Agreement. Against such backdrop, the Group applied bank borrowings of RMB200.0 million with an effective interest rate of 3.7% per annum to fund the payment of aforesaid deposit. We have also obtained and renewed the relevant bank agreements and noted that the borrowings were due in 21 October 2026 and 30 October 2026. As the Group expects that the arrangement with the Agent will remain in place and the Group is in negotiation with the Agent to enter into a renewal agreement in September 2026, the deposit will not be refunded at the time of the borrowings’ maturity.

Having considered the prevailing market condition and low level of cash on hand available to the Group, the Group encountered pressures on liquidity and is in need for fund raising to relieve its liquidity pressure. In addition, the borrowings were interest-bearing with interest rate of 3.7% per annum, and the interest expenses further deteriorated the Group’s financial performance. As such, we concur with the Directors that the Rights Issue represents an opportunity for the Group to provide sufficient funds at no borrowing costs for the Group to satisfy its funding needs in payment obligations on borrowings, reduce the gearing ratio and the associated interest expenses, as well as strengthening its financial position.

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Taking into account that the borrowings were due in late October 2026 while the Company is expected to receive the proceeds from the Rights Issue after completion of the Rights Issue and the Placing in November 2026 according to the current expected timetable, as advised by the management of the Group, the Group is in negotiation with the relevant bank for a short-term extension of the maturity date of the existing borrowings for three to six months. However, such extension is not guaranteed, and if the relevant bank eventually does not agree with such extension or if the Rights Issue is undersubscribed, the Company may have to consider placing of new Shares as an alternative financing option to raise proceeds for meeting its repayment obligation of the bank borrowings.

Although the net proceeds of the Rights Issue (assuming full subscription) will be approximately HK\$160.43 million (equivalent to approximately RMB138.9 million), which is lower than the Group's bank borrowings of RMB200.0 million due in October 2026, we understood from the Directors that the Group intends to use its cash balance and the collection of trade receivables to satisfy such shortfall. Based on the Group's latest unaudited consolidated management accounts, as at 31 July 2026, the Group had cash and cash equivalents of approximately RMB10 million and trade receivables of approximately RMB300 million. With reference to the 2025 Interim Report, as at 31 December 2025, the Group had trade receivables of approximately RMB376.9 million, among which approximately RMB101.6 million, RMB106.5 million, RMB94.7 million and RMB74.2 million were due within 1 month, 1 to 2 months, 2 to 3 months and 3 to 6 months, respectively. The credit terms of the Group's trade receivables are generally 30 to 90 days. In view of the Group's cash balance and trade receivables position as at 31 July 2026, the credit term of the Group's trade receivables and the ageing analysis of the Group's trade receivables as at 31 December 2025, we consider that the Group's funding needs are reasonable.

Taking into account that (i) as discussed above, the net proceeds of the Rights Issue are sufficient to fulfil the Group's fundings needs after considering the Group's cash balance and trade receivables position as at 31 July 2026; (ii) as advised by the management of the Group, the structure (including the subscription ratio) of the Rights Issue was determined by the Board after balancing the Group's expected capital requirement as elaborated in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" in the Letter from the Board against necessity of an attractive and accessible price entry as elaborated in the section headed "Subscription Price" in the Letter from the Board. To increase the acceptance of the Rights Issue in order to achieve the targeted amount of proceeds to be raised, the Subscription Price had to be set at an attractive discount, and any lower volume of the Shares would not meet the Group's fundraising target. Whereas, higher ratios would enlarge the total share base and allow sizeable amounts of proceeds to be raised but would result in larger potential dilution impact on existing Shareholders should they do not or cannot take up their provisional allotments. In determining the subscription ratio, the Board has properly balanced the Group's capital requirements against the need for an attractive subscription price to secure broad shareholders' participation. The Board has weighed these trade-offs and concluded that the selected structure offers the most reliable path to achieving the Group's funding objectives; (iii) with reference to the Letter from the Board, Mr. Yang and Ms. Lin have undertaken to participate in the Rights Issue by procuring Shengyao Investment and Trendy Peak, which are ultimately wholly-owned by Mr. Yang and Ms. Lin respectively, to fully take up the Rights Shares provisionally allotted thereto; and (iv) as advised by the management of the Group, the Company has approached certain financial institutions but failed to find an appropriate underwriter to the Rights Issue due to the Group's loss-making position, we consider that the structure of the Rights Issue, including the subscription ratio, discounted subscription price and on a non-underwritten basis, is fair and reasonable and in the interest of the Company and its Shareholders.

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Fund-raising alternatives

As disclosed in the Letter from the Board, apart from the Rights Issue, the Directors have also considered other debt or equity financing alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In this respect, we have discussed with the management of the Group and were advised that given the loss-making performance of the Company, it would be difficult or more costly to obtain sufficient further facilities from the banks for the Group's funding needs. Given that (i) the funds raised through the Rights Issue would not be interest-bearing while the Group had bank borrowings with an effective interest rate of 3.7% per annum as at 31 December 2025; (ii) the Group's finance costs have increased from approximately RMB0.1 million for 6M2024 to approximately RMB1.1 million for 6M2025 so that debt financing would incur further interest burden on the Group and negatively affect the financial performance and gearing of the Group; and (iii) 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, and the Group has no assets suitable for security currently, 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 borrowings.

With respect to equity fund raising, such as placing of new Shares, the Directors consider that such exercise would immediately dilute the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. While both the Rights Issue and open offer provide the Shareholders with equal opportunity to participate in and to maintain their pro-rata shareholdings in the Company, as opposed to an open offer, the Rights Issue further provide flexibility to the Qualifying Shareholders who do not wish to take up their provisional entitlements to sell the nil-paid rights in the market, thereby recouping some value. As such, we consider that the Rights Issue is more favourable 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.

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Taking into account that (i) the unsatisfactory financial performance and the very low liquidity level of the Group make the debt financing not beneficial to the Company as it (a) would carry interest costs which will result in additional interest burden and higher gearing ratio of the Group and further deteriorate the Group's financial performance and (b) may require the provision of security while the Group has no assets suitable for security; (ii) the net proceeds of the Rights Issue are sufficient to fulfil the Group's fundings needs after considering the Group's cash balance and trade receivables position as at 31 July 2026; (iii) the Rights Issue will strengthen the capital base of the Group for further development of its existing businesses; (iv) 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 (v) the structure of the Rights Issue was determined by the Board after balancing the Group's expected capital requirement against necessity of an attractive and accessible price entry. The Board has weighed these trade-offs and concluded that the selected structure offers the most reliable path to achieving the Group's funding objectives, 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	:	Six (6) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.4 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	67,200,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 403,200,000 Rights Shares (assuming (i) no change in the total number of Shares in issue from the date of this circular up to and including the Record Date and (ii) full subscription under the Rights Issue)
Total number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 470,400,000 Shares (assuming (i) no change in the total number of Shares in issue from the date of this circular up to and including the Record Date and (ii) full subscription under the Rights Issue)

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Gross proceeds from the Rights Issue (before deducting the relevant expenses)	:	Up to approximately HK\$161.28 million (assuming (i) no change in the total number of Shares in issue from the Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue)
Net proceeds from the Rights Issue (after deducting the estimated relevant expenses)	:	Up to approximately HK\$160.43 million (assuming (i) no change in the total number of Shares in issue from the Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue)
Right of excess applications	:	There will not be excess application arrangements in relation to the Rights Issues.

As at the Latest Practicable Date, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming no Shares are issued or repurchased on or before the Record Date, the maximum number of 403,200,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 600% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 85.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

4. Assessment of the Subscription Price

The Subscription Price is HK\$0.4 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess 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 with reference to (i) the recent downward trend of the trading price of the Shares and the low trading volume of the Shares; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of the Rights Issue as discussed in the Letter from the Board. For details, please refer to the section headed “Subscription Price” in the Letter from the Board.

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The Subscription Price of HK\$0.4 per Rights Share represents:

- (i) a discount of approximately 27.93% to the closing price of HK\$0.555 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 28.57% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 28.57% to the average closing price of HK\$0.56 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 28.57% to the average closing price of HK\$0.56 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to the Last Trading Day;
- (v) a discount of approximately 5.41% to the theoretical ex-rights price of HK\$0.4229 as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.56 per 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) of approximately 24.49%, represented by the theoretical diluted price of approximately HK\$0.4229 per Share to the benchmarked price of approximately HK\$0.56 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (a) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day; and (b) the average of the closing prices of the existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day); and
- (vii) a discount of approximately 92.87% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2025 of approximately RMB4.83 (equivalent to approximately HK\$5.61) per Share, which is calculated by dividing the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately RMB324.85 million (equivalent to approximately HK\$377.11 million) as at 31 December 2025 as set out in the 2025 Interim Report by the number of Shares as at the Last Trading Day.

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(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 1 August 2025 to the Last Trading Day (i.e. 3 August 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.



Source: the website of the Stock Exchange

As shown above, the closing prices of the Shares were above the Subscription Price at all of the time during the Review Period, ranging from the lowest of HK\$0.445 on 6 May 2026 to the highest of HK\$1.34 on 30 October 2025. In other words, the Subscription Price of HK\$0.40 per Rights Share represents discounts of approximately 10.11% to 70.15% to the closing prices of the Shares during the Review Period.

The closing prices of the Shares fluctuated between HK\$0.78 and HK\$0.96 during the period from 1 August 2025 to 22 September 2025. Following the Company’s publication of a profit warning announcement for 18M2025 on 22 September 2025 which disclosed that the Group expected to record a consolidated net loss after tax of not less than approximately RMB108.0 million for 18M2025, as compared to a consolidated net profit after tax of approximately RMB67.5 million for FY2023, the closing prices of the Shares dropped to HK\$0.74 on 30 September 2025. The Shares prices then increased and reached the highest of HK\$1.34 on 30 October 2025. Thereafter, it dropped sharply to HK\$0.86 on 4 November 2025. From then on, the closing prices of the Shares generally exhibited a downward trend and reached HK\$0.56 on the Last Trading Day. In 2026, the closing prices of the Shares decreased from HK\$0.98 on 5 January 2026 to HK\$0.445 on 6 May 2026 and then fluctuated between HK\$0.45 and HK\$0.56 from 7 May 2026 to the Last Trading Day.

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As at the Latest Practicable Date, the closing price of the Shares closed at HK\$0.555, to which the Subscription Price represents a discount of approximately 27.93%.

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 shares 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:

			Approximate percentage of average daily trading volume to total number of Shares held by the public (Note 3)
	Approximate average daily trading volume (Note 1)	Approximate percentage of average daily trading volume to total number of Shares in issue (Note 2)	
2025			
August	21	679,601	1.2136%
September	22	447,645	0.7994%
October	20	1,499,230	2.6772%
November	20	593,770	1.0603%
December	20	232,430	0.4151%
2026			
January	18	132,256	0.1968%
February	17	107,059	0.1593%
March	22	57,509	0.0856%
April	19	154,400	0.2298%
May	19	160,411	0.2387%
June	21	72,666	0.1081%
July	22	78,218	0.1164%
From 3 August to the Latest Practicable Date	15	265,053	0.3944%

Source: the website of the Stock Exchange

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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 Mr. Yang and Ms. Lin who are executive Directors.*

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 57,509 Shares in March 2026 to approximately 1,499,230 Shares in October 2025, representing approximately 0.0856% to 2.6772% of the total number of the Shares in issue and approximately 0.1084% to 3.5836% of the total number of the Shares held by the public, respectively.

The trading volume of the Shares was notably high in October 2025 as compared to other months/periods during the Review Period and up to the Latest Practicable Date. We have reviewed Company's announcements published on the website of the Stock Exchange and discussed with the Directors in this regard. As advised by the Directors, the Directors were not aware of any specific reasons that may have an impact on the exceptionally high trading volume of the Shares in October 2025.

The above statistics revealed that the trading liquidity of the Shares has not been high since 2026 in the open market. On this basis and considering the financial position and performance of the Group, we are of the view that the Company is unlikely to be able to raise notable amount of funds via equity financing without a notable discount. 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.

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(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 Main Board of the Stock Exchange during the period from 4 May 2026 and up to the Last Trading Day (being approximately three months preceding the Last Trading Day). We have identified an exhaustive list of 17 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.

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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 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 %	Theoretical dilution effect %	Underwriting/placing Excess commission, as the case may be (1/N)	Underwriting/placing Excess commission, as the case may be (1/N)
29 July 2026	Easyhold Group Holdings Limited (1703.HK)	69.0	1 for 1	(48.98)	(47.03)	(32.43)	261.84 (Note 3)	50.00	24.49	N	1.50
24 July 2026	Yuk Wing Group Holding Limited (1536.HK)	136.8	3 for 1	(27.01)	(28.06)	(8.26)	(68.45)	75.00	21.99	N	1.00
23 July 2026	King International Investment Limited (928.HK)	193.6	2 for 1	(31.51)	(25.60)	(13.29)	288.41 (Note 4)	66.67	13.29	N	1.50
17 July 2026	Universal Health International Group Holding Limited (2211.HK)	176.9	4 for 1	(4.76)	(7.19)	(1.00)	(87.95)	80.00	5.75	N	3.00
15 July 2026	Flowing Cloud Technology Ltd (6610.HK)	312.1	4 for 1	(24.05)	(24.24)	(5.96)	(93.66)	80.00	19.39	N	HK\$2,000,000 or 1%, whichever is higher

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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 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 %	Theoretical dilution effect %	Excess application (1/N)	Underwriting/placing commission, as the case may be %
								(Note 1)	(Note 2)		
14 July 2026	Capital Industrial Financial Services Group Limited (730.HK)	494.2	1 for 1	0.81	(1.26)	0.40	(65.82)	50.00	1.10	N	2.00
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

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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 closing price on 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 %	Theoretical dilution effect %	Underwriting/placing Excess application (1/N) %	Underwriting/placing commission, as the case may be %
				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 %		(Note 1)	(Note 2)		
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%

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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 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 %	Theoretical dilution effect %	Underwriting/placing Excess application (1/N) %	Underwriting/placing commission, as the case may be %
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%
			Maximum	31.60	28.20	19.00	288.41	80.00	24.49		3.50
			Minimum	(66.67)	(67.24)	(65.00)	(93.66)	25.00	0.00		0.25
			Average	(28.44)	(28.27)	(20.66)	(19.10)	49.43	14.21		1.72
			Median	(27.01)	(25.60)	(14.05)	(68.45)	50.00	17.14		1.50

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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 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 %	Theoretical dilution effect %	Excess application (1/N)	Underwriting/placing commission, as the case may be %
								(Note 1)	(Note 2)		
			Maximum (excluding outliers)	31.60	28.20	19.00	5.48	80.00	24.49		3.50
			Minimum (excluding outliers)	(66.67)	(67.24)	(65.00)	(93.66)	25.00	0.00		0.25
			Average (excluding outliers)	(28.44)	(28.27)	(20.66)	(64.37)	49.43	14.21		1.72
			Median (excluding outliers)	(27.01)	(25.60)	(14.05)	(84.40)	50.00	17.14		1.50
	The Company	161.3	6 for 1	(28.57)	(28.57)	(5.41)	(92.87)	85.71	24.49	N	1.50

Source: the website of the Stock Exchange

LETTER FROM RAINBOW CAPITAL

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.*
3. *In respect of the comparison between the subscription price and the consolidated net asset value, Easyhold Group Holdings Limited (1703.HK) is considered as an outlier due to the significant premium of subscription price over the consolidated net asset value.*
4. *In respect of the comparison between the subscription price and the consolidated net asset value, King International Investment Limited (928.HK) is considered as an outlier due to the significant premium of subscription price over the consolidated net asset value.*

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 (excluding outliers) ranged from a discount of approximately 66.67% to a premium of approximately 31.60%, with an average and a median discount of approximately 28.44% and 27.01%, respectively. The discount of approximately 28.57% as represented by the Subscription Price to the closing price of the Shares on the Last Trading Day is within the range of the Comparable Transactions (excluding outliers) and close to the average and median discounts of the Comparable Transactions (excluding outliers);
- (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 (excluding outliers) ranged from a discount of approximately 67.24% to a premium of approximately 28.20%, with an average and a median discount of approximately 28.27% and 25.60%, respectively. The discount of approximately 28.57% as represented by the Subscription Price to the average closing price of the Shares for the five previous consecutive trading days immediately prior to the Last Trading Day is within the range of the Comparable Transactions (excluding outliers) and close to the average and median discounts of the Comparable Transactions (excluding outliers);
- (c) the subscription prices over/to the theoretical ex-rights price of the Comparable Transactions (excluding outliers) ranged from a discount of approximately 65.00% to a premium of approximately 19.00%, with an average and a median discount of approximately 20.66% and 14.05%, respectively. The discount of approximately 5.41% as represented by the Subscription Price to the theoretical ex-rights price is within the range of the Comparable Transactions (excluding outliers) and lower than the average and median discounts of the Comparable Transactions (excluding outliers);

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- (d) the subscription prices over/to the consolidated net asset value of the Comparable Transactions (excluding the outliers) ranged from a discount of approximately 93.66% to a premium of approximately 5.48%, with an average and a median discount of approximately 64.37% and 84.40%, respectively. The discount of approximately 92.87% as represented by the Subscription Price to the unaudited consolidated net asset value per Share as at 31 December 2025 is within the range of the Comparable Transactions (excluding outliers) and higher than the average and median discounts of the Comparable Transactions (excluding outliers); and
- (e) the theoretical dilution effect of the Comparable Transactions (excluding outliers) ranged from nil to approximately 24.49%, with an average and a median dilution effect of approximately 14.21% and 17.14%, respectively. The theoretical dilution effect of the Rights Issue of approximately 24.49% is within the range of the Comparable Transactions (excluding outliers).

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) a higher discount of the Subscription Price could enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue; (c) 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; (d) 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; (e) the discounts of the Subscription Price to the closing price of the Shares on the Last Trading Day, the average closing price of the Shares for the five previous consecutive trading days immediately prior to the Last Trading Day, and the theoretical ex-rights price are within the ranges of those of the Comparable Transactions (excluding outliers) and close to or lower than the average and median discounts of the Comparable Transactions (excluding outliers); (f) the discount of the Subscription Price to the unaudited consolidated net asset value per Share as at 31 December 2025 is within the ranges of those of the Comparable Transactions (excluding the outliers); and (g) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions (excluding outliers), we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

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Although the Subscription Price represents a deep discount to the unaudited consolidated net asset value per Share as at 31 December 2025 and the level of discount is higher than the average and median discounts of the Comparable Transactions (excluding the outliers), taking into account (a) the fundings needs of the Group as discussed above; (b) the interests of the Qualifying Shareholders will not be prejudiced by the level of 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) the discount of approximately 92.87% as represented by the Subscription Price to the unaudited consolidated net asset value per Share as at 31 December 2025 is within the range of the Comparable Transactions (excluding the outliers); (d) from 2 January 2026 to the Last Trading Day, the highest closing price per Share was HK\$0.98 on 5 January 2026 and the closing prices of the Shares showed a general downward trend and closed at HK\$0.56 per Share on the Last Trading Day, representing a decrease of approximately 42.86%. Setting the Subscription Price at or close to the prevailing market level would attract sufficient subscriptions from existing Shareholders to raise the intended proceeds; and (e) the closing price per Share was trading below the unaudited consolidated net asset value per Share as at 31 December 2025 during the entire Review Period (i.e. being approximately one year preceding the Last Trading Day) with a discount of approximately 76.11% to 92.07%, we consider a substantial discount of the Subscription Price to the unaudited consolidated net asset value per Share given to attract subscription by the Qualifying Shareholders is fair and reasonable.

Although the theoretical dilution effect of the Rights Issue is higher than the average and median of the Comparable Transactions (excluding outliers), taking into account that (a) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions (excluding outliers); (b) the size of funds to be raised reflects the reasonable amount of funds required to fund the Group's business operation and meet its payment obligations, and is balanced against the potential dilution impact on the Qualifying Shareholders who do not take up the Rights Issue; (c) the dilution effect complies with the Listing Rules and the discount to the closing prices is expected to attract more Shareholders to participate in the Rights Issue to maintain their respective shareholding interests in the Company and contribute to the Group's future growth and development; (d) the potential dilution to the shareholding interests of the Shareholders only happens to the Qualifying Shareholders who decide not to accept their assured entitlements in full; and (e) the Qualifying Shareholders are in fact given the opportunity to trade the nil-paid Rights Shares if they decided not to take up their entitlements in whole or in part, we consider the theoretical dilution effect of the Rights Issue is justifiable.

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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 have excluded Easyhold Group Holdings Limited (1703.HK) and King International Investment Limited (928.HK) in respect of the comparison between the subscription price and the consolidated net asset value, due to their significant premiums of subscription price over the consolidated net asset value. Given that the Comparable Transactions (excluding outliers) 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 consider that the Comparable Transactions (excluding outliers) collectively provides a meaningful reference to prevailing market practices. On this basis, we consider the Comparable Transactions (excluding outliers) to be indicative in assessing the fairness and reasonableness of the terms of the Rights Issue (including the Subscription Price).

Given that the theoretical dilution effect of the Rights Issue of approximately 24.49% exceeds both the average and median dilution levels of the Comparable Transactions (excluding outliers), the Rights Issue involves a higher maximum dilution and entitlement ratio than the Comparable Transactions (excluding outliers). As advised by the management of the Group, the structure (including the subscription ratio) of the Rights Issue was determined by the Board after balancing the Group's expected capital requirement as elaborated in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" in the Letter from the Board against necessity of an attractive and accessible price entry as elaborated in the section headed "Subscription Price" in the Letter from the Board. To increase the acceptance of the Rights Issue in order to achieve the targeted amount of proceeds to be raised, the Subscription Price had to be set at an attractive discount, and any lower volume of the Shares would not meet the Group's fundraising target. Whereas, higher ratios would enlarge the total share base and allow sizeable amounts of proceeds to be raised but would result in larger potential dilution impact on existing Shareholders should they do not or cannot take up their provisional allotments. Accordingly, alternative price/size ratio may either be insufficient to fulfill the Group's liquidity needs or may result in a potential bigger dilutions impact. Taking into account that (a) in determining the subscription ratio, the Board has properly balanced the Group's capital requirements against the need for an attractive subscription price to secure broad shareholders' participation. The Board has weighed these trade-offs and concluded that the selected structure offers the most reliable path to achieving the Group's funding objectives; (b) while a higher ratio inevitably leads to greater dilution, the alternative of a higher subscription price with a lower ratio carries the risk of an undersubscribed Rights Shares that may fail to raise the required funds. The Company has limited debt financing available on acceptable terms as discussed above, thus the Company would still need to seek for alternative equity fund raising method, that are still inherited dilutive in nature; and (c) based on our assessment in this section on the fairness and reasonableness of the Subscription Price, it is inevitable that the Subscription Price has to be set at a discount to the prevailing market prices of the Shares to encourage the Shareholders to participate in the Rights Issue, we consider that the Subscription Price and the structure (including the subscription ratio) of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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5. Principal terms of the Placing Agreement

For details of the terms of the Placing Agreement, 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 Agreement:

Date	:	Monday, 3 August 2026 (after trading hours)
Issuer	:	The Company
Placing Agent	:	CNI Securities Group Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO, was appointed as the Placing Agent to procure, on the best effort basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.
Placing Period	:	The period from Wednesday, 7 October 2026 up to 6:00 p.m. on Wednesday, 28 October 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing.
Commission and expenses	:	The Company shall pay the Placing Agent a placing commission equivalent to 1.5% of the amount (the “ Placing Commission ”) which is equal to the Placing Price multiplied by the total number of the Placing Shares which are successfully placed by the Placing Agent.
Placing price	:	The placing price of each of the Placing Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable).

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Placees : The Placing Shares will be placed to the Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

For the avoidance of doubt, none of the Placees shall become a substantial shareholder of the Company.

Ranking of the Placing Shares : The Placing Shares (when allotted, issued and fully paid, if any), shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.

Conditions precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon the following conditions being fulfilled:

(i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;

(ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before 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; and

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

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The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the above conditions (other than the condition set out in paragraph (i) above) by notice in writing to the Company. The Company shall use its best endeavours to procure the fulfilment of such conditions precedent by 4:00 p.m. on Thursday, 29 October 2026 (the “**Long Stop Date**”). If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or 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 17 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 (excluding outliers) ranged from approximately 0.25% to 3.50% with an average and a median of approximately 1.72% 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 Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions; and (ii) the Placing Commission of 1.5% falls within the relevant range of the Comparable Transactions (excluding outliers) and is lower than the average of the Comparable Transactions (excluding outliers), we consider that the Placing Commission to be fair and reasonable. As such, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM RAINBOW CAPITAL

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 Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (iii) immediately after completion of the Rights Issue and the Placing, assuming no subscription by the Qualifying Shareholders save subscriptions by Mr. Yang and Ms. Lin through Shengyao Investment and Trendy Peak pursuant to the Undertakings and all the Placing Shares are placed to Independent Third Parties under the Placing:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		Immediately after completion of the Rights Issue and the Placing, assuming no subscription by the Qualifying Shareholders save subscriptions by Mr. Yang and Ms. Lin through Shengyao Investment and Trendy Peak pursuant to the Undertakings and all the Placing Shares are placed to Independent Third Parties under the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Yang Shengyao (楊聲耀) (“Mr. Yang”) and Ms. Lin Qiuyun (林秋雲) (“Ms. Lin”) (Note 1)	14,164,443	21.08	99,151,101	21.08	71,227,029	15.14
Placees	–	–	–	–	346,137,414	73.59
Public Shareholders	53,035,557	78.92	371,248,899	78.92	53,035,557	11.28
Total	67,200,000	100.00	470,400,000	100.00	470,400,000	100.00

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Note:

1. *As at the Latest Practicable Date, (i) Shengyao Investment Group Limited (“Shengyao Investment”), a corporation owned as to 100% by Mr. Yang, held 9,510,373 Shares, (ii) Prosperous Season Group Limited (“Prosperous Season”), a corporation wholly owned by Nanchang Tongli Enterprise Management Center (Limited Partnership)* (南昌市同利企業管理中心(有限合伙)), which is a limited partnership managed and controlled by Mr. Yang as the general partner, held 4,654,012 Shares; and (iii) Trendy Peak International Limited (“Trendy Peak”), a corporation owned as to 100% by Ms. Lin, held 58 Shares, and Mr. Yang and Ms. Lin are spouses of each other. Hence, Mr. Yang is deemed to be interested in all the Shares held by Shengyao Investment and Prosperous Season, and Ms. Lin is deemed to be interested in all the Shares held by Trendy Peak, and Mr. Yang and Ms. Lin are deemed to be interested in all the Shares held by the other by virtue of Part XV of the SFO. Each of Mr. Yang and Ms. Lin is an executive Director.*

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 49.43% and 50.00%, respectively. For the Non-Qualifying 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 85.71%, which is slightly higher than the range of the Comparable Transactions. Despite this, 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; (iii) the size of funds to be raised reflects the reasonable amount of funds required to fund the Group’s business operation and meet its payment obligations, and is balanced against the potential dilution impact on the Qualifying Shareholders who do not take up the Rights Issue; and (iv) 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.

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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 and the placing of 11,200,000 new shares had been completed and subscribed in full on 31 December 2025, the unaudited consolidated net tangible assets attributable to the owners of the Company would have increased from approximately HK\$324.9 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\$471.3 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 RMB8.5 million, current assets of approximately RMB617.3 million and current liabilities of approximately RMB295.7 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\$160.4 million (equivalent to approximately RMB138.9 million). The current ratio of the Group will increase from approximately 2.1 times to approximately 2.6 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.

LETTER FROM RAINBOW CAPITAL

OPINION AND RECOMMENDATION

Based on the above, we consider that the terms of the Rights Issue, the Placing Agreement 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 Agreement 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 EGM to approve the Rights Issue, the Placing Agreement 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.

1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for the years ended 31 December 2022 and 2023, eighteen months ended 30 June 2025 and six months ended 31 December 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.zhengwei100.com):

- Annual Report for the year ended 31 December 2022 (pages 37 to 121):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042603355.pdf>
- Annual report for the year ended 31 December 2023 (pages 40 to 123):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043000173.pdf>
- Annual report for the eighteen months ended 30 June 2025 (pages 46 to 147):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1031/2025103102776.pdf>
- Interim report for the six months ended 31 December 2025 (pages 15 to 34):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0331/2026033103055.pdf>

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group mainly trades, and to a lesser extent produces, dried agricultural food products and bakery products in Jiangxi Province in the PRC, and to a lesser extent, Fujian Province and Hubei Province in the PRC.

As consumers are constantly evolving with their tastes and preferences, the Group will continuously develop and introduce new snack products to keep up with consumer trends. The Group will conduct internal research on popularity of different snacks products and obtain feedback from its retailer customers on acceptance of new flavours and purchase pattern of end consumers in the market. With the long-term and established relationship with the Group's retailer customers, the Directors consider that the Group already has stable sales channels to sell and market new snack products readily.

In the future, the Group will continue to enhance marketing efforts and expand sales channels to maximise the exposure of its own brands and the accessibility of products to end consumers across the PRC in order to maximise returns for shareholders. In particular, the Group intends to (i) expand sales network and concessionary counter network in supermarkets in Southeast China, in particular, in Fujian Province, the PRC; (ii) strengthen marketing and promotional efforts in cooperation with supermarket chain customers; and (iii) expand marketing efforts by advertising snacks products through traditional media such as television and commercial broadcasts, at high-traffic locations and social media such as WeChat.

3. INDEBTEDNESS

As at the close of business on 31 July 2026 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had an aggregate outstanding indebtedness amounting to approximately RMB200,000,000, which consists of unsecured bank borrowings of RMB200,000,000 that was guaranteed by corporate guarantees provided by certain subsidiaries of the Company.

Disclaimer

Save as disclosed above and apart from intra-group liabilities and payables arising from ordinary business operation, the Group did not have any outstanding debt securities issued and outstanding, or authorised or otherwise created but unissued, term loans, loan capital, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, or other similar indebtedness, or material hire purchase commitments, lease commitments, mortgages and charges, material contingent liabilities or guarantees outstanding at the close of business on 31 July 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular.

The Directors have confirmed that there has not been any material change in the indebtedness or the contingent liabilities of the Group since the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular.

4. WORKING CAPITAL

The directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including the existing borrowing facilities available and the existing cash and cash equivalents, and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Investment Circular in the absence of unforeseen circumstances.

5. MATERIAL ADVERSE CHANGE

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

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information. Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.

The information set out in this Appendix does not form part of the Accountants' Report issued by ZSZH (HK) Fuson CPA Limited, the Company's reporting accountants, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with "Financial information of the Group" set out in Appendix I.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share (the **"Unaudited Pro Forma Financial Information"**) has been prepared by the directors of the Company (the **"Directors"**) in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *"Preparation of Pro Forma Financial Information for inclusion in Investment Circulars"* as issued by the Hong Kong Institute of Certified Public Accountants if for illustration only, and is set out in the Appendix to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as at 31 December 2025 attributable to owners of the Company as if the Rights Issue had taken place on 31 December 2025.

The Unaudited Pro Forma Financial Information is prepared by the Directors for illustrative purposes only, based on the judgments, estimates and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared by the Directors based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025, extracted from the Group's condensed consolidated interim financial statements for the six months ended 31 December 2025, on which an interim report has been published, with adjustment described below.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

		Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025		Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share		Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share immediately after the Placing of 11,200,000 new shares completed on 22 January 2026 and upon completion of the Rights Issue	
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Placing of 11,200,000 new shares completed on 22 January 2026	Estimated net proceeds from the Rights Issue	Placing of 11,200,000 new shares completed on 22 January 2026 and upon completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share immediately after the Placing of 11,200,000 new shares completed on 22 January 2026	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share immediately after the Placing of 11,200,000 new shares completed on 22 January 2026 and upon completion of the Rights Issue	
RMB'000	RMB'000	RMB'000	RMB'000	RMB	RMB	RMB	HK\$
(Note 1)	(Note 2)	(Note 3)		(Note 4)	(Note 5)	(Note 6)	(Note 7)
Based on 403,200,000 Rights Shares to be issued at Subscription Price of HK\$0.40 per Rights Share							
324,853	7,542	138,912	471,307	5.80	4.95	1.00	1.15

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB324,853,000 were extracted from unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 as set out in the interim report of the Group for the six months ended 31 December 2025.
- Pursuant to the Company's announcement dated 22 January 2026, on the same date, the Company completed the placing of 11,200,000 placing shares at the placing price of HK\$0.80 per placing share (the "**Placing**"). The net proceeds from the Placing, after deduction of the commission and other expenses of the Placing, amounted to approximately RMB7,542,000 (equivalent to approximately HK\$8.710 million).

Subsequent to the Placing, the number of the existing shares of the Company was 67,200,000 with par value of USD0.2 each (the "**Existing Shares**").
- The estimated net proceeds from the Rights Issue of approximately RMB138,912,000 (equivalent to approximately HK\$160,430,000) is calculated based on 403,200,000 Rights Shares to be issued (in the proportion of six (6) Rights Share for every one (1) Ordinary Share held by the Shareholders on the Record date) at the Subscription Price of HK\$0.40 per Rights Share, after deduction of the estimated related expenses of approximately RMB736,000 (equivalent to approximately HK\$850,000), assuming that 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 tangible assets of the Group as at 31 December 2025 per Share is based on 56,000,000 Shares of the Company in issue as at 31 December 2025.

5. The unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share immediately after the Placing of 11,200,000 new shares completed on 22 January 2026 which is based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB324,853,000 and the estimated net proceeds from the Placing completed on 22 January 2026 approximately RMB7,542,000 divided by 67,200,000 Existing Shares.
6. The unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share immediately after the Placing of 11,200,000 new shares completed on 22 January 2026 and upon completion of the Rights Issue which is based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB324,853,000, the estimated net proceeds from the Placing of 11,200,000 new shares completed on 22 January 2026 of approximately RMB7,542,000 and estimated net proceeds from the Rights Issue of approximately RMB138,912,000) (assuming all Rights Shares are taken up by the Qualifying Shareholders) divided by 67,200,000 Existing Shares (with par value of USD0.2 each per share in the share capital of the Company) and 403,200,000 Rights Shares to be issued (in the proportion of six (6) Rights Share for every one (1) Ordinary Shares held by the Shareholders on the Record date).
7. For the purpose of unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2025 per Share immediately after the Placing of 11,200,000 new shares completed on 22 January 2026 and upon completion of the Rights Issue, the amount stated in RMB is converted into HK\$ at the rate of HK\$1.15 into RMB1.00. No representation is made that RMB amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or at any other rate, or at all.
8. Exception for the Placing completed on 22 January 2026 as described above, no adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountant's assurance report received from ZSZH (HK) Fuson CPA Limited, Certified Public Accountants, the Hong Kong reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of inclusion in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Zhengwei Group Holdings Company Limited**

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Zhengwei Group Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of unaudited consolidated net tangible assets of the Group as at 31 December 2025 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-3 of the circular dated 21 August 2026 (the “**Circular**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-3 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of up to 403,200,000 rights shares at HK\$0.40 per rights share (the “**Rights Shares**”) on the basis of six (6) Rights Share for every one (1) existing share of the Company held on the rights issue record date (the “**Rights Issue**”) on the Group's unaudited consolidated net tangible assets of the Group as at 31 December 2025 as if the Rights Issues had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2025, on which no audit or review report has been published.

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 Circular* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

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

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and 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 as 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 the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Rights Issue on unadjusted financial information of the Group as if the Proposed Rights Issue 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 Proposed Rights Issue would have been as presented.

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

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

The procedures selected depend on the reporting 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.

We make no comments regarding the reasonableness of the amount of net proceeds from the Proposed Rights Issue.

Opinion

In our opinion:

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

Yours faithfully,

ZSZH (HK) Fuson CPA Limited

Certified Public Accountants

Liao Yik Lam

Practicing Certificate Number: P06630

Hong Kong, 21 August 2026

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>USD</i>
<u>400,000,000</u>	Shares of USD0.2 each	<u>80,000,000</u>
<i>Issued and fully paid:</i>		<i>USD</i>
<u>67,200,000</u>	Shares of USD0.2 each	<u>13,440,000</u>

(ii) Immediately after completion of the Increase in Authorised Share Capital and the Rights Issue (assuming no change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)

<i>Authorised:</i>		<i>USD</i>
<u>800,000,000</u>	Shares of USD0.2 each	<u>160,000,000</u>
<i>Issued and fully paid:</i>		<i>USD</i>
67,200,000	Shares of USD0.2 each	13,440,000
<u>403,200,000</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>80,640,000</u>
<u>470,400,000</u>	Shares in issue immediately upon completion of the Rights Issue	<u>94,080,000</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

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

As at the Latest Practicable Date, the Company does not hold any treasury shares.

As at the Latest Practicable Date, the Company did not have any outstanding warrants, options or securities convertible into Shares.

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

3. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”):

Name of Director	Capacity/Nature of interests	Total number of Shares and underlying Shares held (Long Position)	Approximate percentage of the Company's issued share capital (Note 1)
Mr. Yang Shengyao ("Mr. Yang")	Interest in a controlled corporation and interest of spouse (Note 1)	14,146,443	21.08%
Mr. Wan Ming ("Mr. Wan")	Beneficial owner	1,194,000	1.78%

Note:

- As at the Latest Practicable Date, (i) Shengyao Investment Group Limited (“**Shengyao Investment**”), a corporation owned as to 100% by Mr. Yang, held 9,510,373 Shares, (ii) Prosperous Season Group Limited (“**Prosperous Season**”), a corporation wholly owned by Nanchang Tongli Enterprise Management Center (Limited Partnership)* (南昌市同利企業管理中心(有限合伙)), which is a limited partnership managed and controlled by Mr. Yang as the general partner, held 4,654,012 Shares and (iii) Trendy Peak International Limited (“**Trendy Peak**”), a corporation owned as to 100% by Ms. Lin, held 58 Shares, and Mr. Yang and Ms. Lin are spouses of each other. Hence, Mr. Yang is deemed to be interested in all the Shares held by Shengyao Investment and Prosperous Season, and Ms. Lin is deemed to be interested in all the Shares held by Trendy Peak, and Mr. Yang and Ms. Lin are deemed to be interested in all the Shares held by the other by virtue of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity and nature of interest	Number of issued ordinary shares held (long position)	Percentage of the Company's issued share capital (Note 4)
Ms. Lin Qiyun (“ Ms. Lin ”)	Interest in a controlled corporation and interest of spouse	14,146,443	21.08%
Shengyao Investment	Beneficial owner	9,510,373	14.15%
Prosperous Season	Beneficial owner	4,654,012 ^(Note 1)	6.93%
Nanchang Tongli LP	Interest in a controlled corporation	4,654,012 ^(Note 1)	6.93%

Name	Capacity and nature of interest	Number of issued ordinary shares held (long position)	Percentage of the Company's issued share capital (Note 4)
Nanchang County Cultural Tourism Investment Co., Ltd.* (南昌縣文化旅遊投資有限公司) (“ Nanchang Tourism ”)	Person having a security interest in shares	14,164,386 ^(Note 2)	21.08%
Nanchang Science Industry and Information Technology Bureau* (南昌縣科技和工業信息化局) (“ Nanchang Science Bureau ”)	Interest in controlled corporations	16,675,216 ^(Notes 2&3)	24.81%
Chang Nan Financial Control Limited (“ Chang Nan Financial ”)	Beneficial owner	2,510,829 ^(Note 3)	3.74%
Nanchang County Changnan Financial Control Fund Management Co., Ltd.* (南昌縣昌南金控基金管理有限公司) (“ Changnan Fund ”)	Interest in a controlled corporation	2,510,829 ^(Note 3)	3.74%

Notes:

- (1) Prosperous Season is wholly owned by Nanchang Tongli LP, which is a limited partnership established in the PRC managed and controlled by Mr. Yang as the general partner. Accordingly, Nanchang Tongli LP is deemed, or taken to be, interested in all the Shares held by Prosperous Season for the purpose of the SFO.
- (2) For avoidance of doubt, the number of Shares shown below is the number before the share consolidation on the basis that every twenty (20) issued and unissued shares of US\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of US\$0.2 each which became effective on 29 December 2025. On 28 July 2023, Shengyao Investment pledged 146,000,000 Shares in favour of Nanchang Tourism as security for a financial assistance (“**Financial Assistance**”) in the limit of up to RMB60,000,000 provided by Nanchang Tourism to Jiangxi Zhengwei Food Co., Limited* (江西正味食品有限公司) (“**Jiangxi Zhengwei**”) a former indirectly wholly-owned subsidiary which has been disposed by the Group on 28 May 2025, and Jiangxi Lewejia Food Co., Ltd.* (江西樂味佳食品有限公司) (“**Jiangxi Lewejia**”), an indirect wholly-owned subsidiary of the Company. On 8 February 2024, Shengyao Investment agreed to pledge 190,207,478 Shares, instead of 146,000,000 Shares in favour of Nanchang Tourism as security for the Financial Assistance provided by Nanchang Tourism to Jiangxi Zhengwei and Jiangxi Lewejia. On 8 February 2024, Prosperous Season pledged 93,080,255 Shares in favour of Nanchang Tourism as a further security for the Financial Assistance provided by Nanchang Tourism to Jiangxi Zhengwei and Jiangxi Lewejia. Nanchang Tourism is wholly owned by Nanchang Science Bureau. Accordingly, Nanchang Science Bureau is deemed, or taken to be, interested in all the Shares held by Nanchang Tourism for the purpose of the SFO.

- (3) Chang Nan Financial is wholly owned by Changnan Fund, a limited liability company established under the laws of the PRC and is ultimately wholly owned by Nanchang Science Bureau.
- (4) The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 67,200,000.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there are no other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no director has a service contract with the Company which is not determinable by the Company 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 substantial shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

6. LITIGATION

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

7. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 30 June 2025, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

8. MATERIAL CONTRACTS

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

- (i) the placing agreement dated 30 December 2025 entered into between the Company and CNI Securities Group Limited as placing agent in relation to the placing of a maximum of 11,200,000 Shares. For further details, please refer to the announcements of the Company dated 30 December 2025 and 22 January 2026;
- (ii) the placing agreement dated 18 November 2024 entered into between the Company and CNI Securities Group Limited as placing agent in relation to the placing of a maximum of 160,000,000 Shares. For further details, please refer to the announcements of the Company dated 18 November 2024 and 9 December 2024; and
- (iii) the Placing Agreement.

9. EXPERTS AND CONSENTS

The following is the qualification of the experts who have been named in this circular or has given opinions, letter or advice contained in this circular:

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

As at the Latest Practicable Date, the above experts had no shareholding, directly or indirectly, in the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company.

As at the Latest Practicable Date, the above experts had no interest, direct or indirect, in the promotion of, or in any assets which since 30 June 2025, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of the references to its name and/or its opinion or report in the form and context in which they are included.

10. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

Board of Directors*Executive Directors*Mr. Yang Shengyao (*Chairman*)

Mr. Wan Ming

Independent non-Executive Directors

Mr. Ye Sangzhi

Mr. Yu Chi Kit

Ms. Zhu Junbin

Audit committeeMr. Yu Chi Kit (*Chairman*)

Ms. Zhu Junbin

Mr. Ye Sangzhi

Nomination committeeMs. Zhu Junbin (*Chairman*)

Mr. Ye Sangzhi

Mr. Yu Chi Kit

Remuneration committeeMs. Zhu Junbin (*Chairman*)

Mr. Ye Sangzhi

Mr. Yu Chi Kit

**Headquarters and principal place of
business in the PRC**

487 Yuhu Road
Xiaolan Economic Development and
Technology Zone
Nanchang
PRC

Principal place of business in Hong Kong

Unit 12, 12/F Tower A,
New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

**Business address of all Directors and
authorised representatives**

Unit 12, 12/F Tower A,
New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

Registered office

71 Fort Street
PO Box 500, George Town
Grand Cayman KY1-1106
Cayman Islands

**Legal advisers to the Company as to
Hong Kong laws**

Bird & Bird
6/F, The Annex,
Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong

Auditors

ZSZH (HK) Fuson CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Room 2702, 27/F, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

**Reporting accountant in relation to the
Rights Issue**

ZSZH (HK) Fuson CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Room 2702, 27/F, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

Independent Financial Adviser

Rainbow Capital (HK) Limited
Office No. 710, 7/F
Wing On House
71 Des Voeux Road Central
Central, Hong Kong

Principal bankers

**Jiangxi Bank Co., Ltd. (Nanchang Tielu
Branch)**
96 Zhanqian Road
Xihu District
Nanchang City
Jiangxi Province
PRC

**Hong Kong branch share registrar and
transfer office**

**Computershare Hong Kong Investor Services
Limited**
17M Floor
Hopewell Centre, 183 Queen's Road East
Wan Chai, Hong Kong

Authorised representatives

Mr. Yang Shengyao

Mr. Chan Ngai Fan

Company secretary

Mr. Chan Ngai Fan

11. PARTICULARS OF THE DIRECTORS**Executive Directors**

Mr. Yang Shengyao, aged 53, was appointed as our Director on 31 March 2020 and is our executive Director, chairman and chief executive officer. He is primarily responsible for the overall operations, strategic management, business development, and formulating our Group's business operation plans. Mr. Yang is a member of our remuneration committee and nomination committee.

Mr. Yang has accumulated over 23 years of experience in the food and trading industry. Mr. Yang was a general manager of Changsha Zhengwei Trading Company Limited* (長沙市正味貿易有限公司) from March 2000 to May 2001. Mr. Yang established our Group as a co-founder in January 2002. Mr. Yang has been the chairman, legal representative and general manager of Jiangxi Zhengwei Food Co., Limited* (江西正味食品有限公司) since January 2002, a director of Zhengwei Group Limited (正味集團有限公司) since May 2020, and a director of Zhengwei International Limited since April 2020.

Mr. Yang graduated from Jiangxi Agricultural University (江西農業大學) in January 2016 with a bachelor degree in landscape architecture. He is also a member of Jiusan Society (九三學社) since December 2015.

Mr. Wan Ming, aged 51, obtained a diploma in the profession of public security at Jiangxi Police College in 1996. He has over 28 years of working experience in business management.

He worked as the manager in Guangdong Qunxiong Media Company Limited* (廣東群雄影音有限公司) from 1997 to 2005 and has been working as the general manager of Huaihua Guangli Mining Company Limited* (懷化廣利礦業有限公司) from 2006 to present.

Independent non-executive Directors

Mr. Ye Sangzhi, aged 47, was appointed as an independent non-executive Director on 29 February 2024. He is a member of each of our audit committee, nomination committee and remuneration committee.

Mr. Ye has more than 17 years of experiences in finance, business development and business management. He is currently the general manager of Jiangxi Youju Industrial Company Limited* (江西優聚實業有限公司). Mr. Ye obtained a bachelor's degree in Accounting from Shanghai University of Finance and Economics in 2007.

Ms. Zhu Junbin, aged 52, obtained a master's degree in business administration at the University of Chinese Academy of Social Sciences. She has over 30 years of working experience in media and international trading. She has accumulated extensive industry experience in various companies in Nanchang and surrounding provinces. Currently, she serves as the chairwoman of several companies in China principally engaged in media and international trading, demonstrating exceptional leadership and management skills.

Mr. Yu Chi Kit, aged 46, was appointed as an independent non-executive Director on 15 January 2025. He is the chairman of our audit committee and a member of each of our nomination committee and remuneration committee. He holds a bachelor's degree in business administration from The Chinese University of Hong Kong. He is also a member of the Hong Kong Institute of Certified Public Accountants, Institute of Chartered Accountants in England and Wales and The Hong Kong Chartered Governance Institute. He was appointed as an independent nonexecutive director of Jinchuan Group International Resources Co. Ltd (Stock Code: 2362) from 6 November 2021 and Ernest Borel Holdings Limited (Stock Code: 1856) from 11 June 2024. He was previously the financial controller and company secretary of Central China Real Estate Limited (Stock Code: 0832) from 3 May 2022 to 1 September 2023, the chief financial officer, company secretary and authorized representative of Xiwang Special Steel Company Limited (Stock Code: 1266) and Xiwang Property Holdings Company Limited (Stock Code: 2088), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), from 1 November 2019 to 1 April 2022. He was previously the company secretary and authorized representative of China Development Bank International Investment Limited (Stock Code: 1062) from 20 June 2016 to 25 April 2019 and South China Assets Holdings Limited (Stock Code: 8155) from 1 April 2010 to 10 January 2011, the shares of which are listed on the Main Board and GEM of the Stock Exchange, respectively. He also has over eight years auditing experience in international accounting firms.

He has extensive experience in accounting, auditing, and company secretarial practice in Hong Kong.

12. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to lawyers, reporting accountants and financial printer, etc., are estimated to be approximately HK\$0.85 million and will be payable by the Company.

13. MISCELLANEOUS

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.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhengwei100.com) for 14 days from the date of this circular:

- (a) the material contracts referred to in the paragraph headed “8. MATERIAL CONTRACTS” in this appendix;
- (b) the letter issued by the reporting accountants regarding the unaudited pro forma financial information as set out in appendix II to this circular;
- (c) the written consents referred to in the paragraph headed “9. EXPERTS AND CONSENTS” in this appendix;
- (d) the letter from the Board, the text of which is set out on pages 6 to 27 of this circular;
- (e) the letter from the Independent Board Committee, the text of which is set out on pages 28 to 29 of this circular; and
- (f) the letter from Rainbow Capital, the text of which is set out on pages 30 to 62 of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Zhengwei Group Holdings Company Limited 正味集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2147)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of Zhengwei Group Holdings Company Limited (the “**Company**”) will be held at 3:30 p.m. on Monday, 7 September 2026 at Room 1303, Rongchao Economic & Trade Center, Southeast Junction of Jintian Road and Fuzhong Road, Futian District, Shenzhen City, Guangdong Province, PRC for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions:

1. “**THAT:**

- (a) the authorised share capital of the Company be and is hereby increased USD80,000,000 divided into 400,000,000 Shares of USD0.2 each to USD160,000,000 divided into 800,000,000 Shares of USD0.2 each by creating an additional 400,000,000 unissued Shares of USD0.2 each (the “**Increase in Authorised Share Capital**”) and to do all things and execute all document in connection with or incidental to the Increase in Authorised Share Capital;
- (b) the directors of the Company be and are hereby authorised to execute all such documents, instruments and agreements and to do all such acts or things they consider necessary, desirable or expedient to give effect to or in connection with the matters contemplated in and for completion of the Increase in Authorised Share Capital.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. “**THAT** subject to and conditional upon (i) The Stock Exchange of Hong Kong Limited granting or agreeing to grant (subject to allotment) and not having revoked the listing of and permission to deal in the Rights Shares (as defined below) to be allotted and issued to the shareholders of the Company (the “**Shareholder(s)**”) pursuant to the terms and conditions of the Rights Issue (as defined below); (ii) the Placing Agreement (as defined below) becoming unconditional and not being terminated in accordance with its terms; and (iii) the Increase in Authorised Share Capital becoming effective:
- (a) the issue by way of rights issue (the “**Rights Issue**”) of up to 403,200,000 ordinary shares (the “**Rights Share(s)**”) at the subscription price of HK\$0.4 per Rights Share to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the company on the date (the “**Record Date**”) by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the “**Non-Qualifying Shareholders**”) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of six (6) Rights Shares for every one (1) share of the Company then held on the Record Date at the subscription price of HK\$0.4 per Rights Share and otherwise on the terms and conditions set out in the circular of the Company dated 21 August 2026 (the “**Circular**”) be and is hereby approved;
 - (b) the placing agreement (the “**Placing Agreement**”) dated 3 August 2026 and entered into between the Company and CNI Securities Group Limited (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (c) the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Directors may (i) make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as they may deem necessary, desirable or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and (ii) not offer for application under forms of excess application for any Rights Shares provisionally allotted but not accepted; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors be and are hereby authorised to sign or execute such documents and do all such acts and things in connection with the allotment and issue of the Rights Shares, the implementation of the Rights Issue and the Placing Agreement, the exercise or enforcement of any of the Company's rights under the Placing Agreement and to make and agree to make such variations of the terms of the Placing Agreement as they may in their discretion consider to be appropriate, necessary, desirable or expedient to carry out, to give effect to or in connection with the Rights Issue or any transaction contemplated thereunder."

By order of the Board
Zhengwei Group Holdings Company Limited
Yang Shengyao
Chairman

Hong Kong, 21 August 2026

Principal place of business in Hong Kong:
Unit 12, 12/F Tower A, New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

Registered office:
71 Fort Street
PO Box 500, George Town
Grand Cayman KY-11106
Cayman Islands

Notes

1. All resolutions at the meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands). The results of the poll will be published on the websites of the Stock Exchange and of the Company in accordance with the Listing Rules.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

In the case of joint holders of a share, any one of such joint holders may vote, 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 are present at the meeting, whether in person or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders. 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.

3. A form of proxy for use at the meeting is being dispatched together with this notice. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 3:30 p.m. on Saturday, 5 September 2026, Hong Kong time) or any adjournment thereof.
4. An explanatory statement containing further details regarding resolution no. 9 above is set out in a circular to the shareholders of the Company, which is being dispatched together with this notice. The circular also contains particulars of the Directors proposed to be re-elected at the meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. The record date for determining the eligibility of shareholders (except holders of treasury shares, if any) to attend and vote at the EGM is Monday, 7 September 2026. The register of members of the Company will be closed from Tuesday, 1 September 2026 to Monday, 7 September 2026 (both days inclusive), during which period no transfer of shares will be registered. All transfer of documents together with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 31 August 2026 in order for the holders of the shares to qualify to attend and vote at the EGM or any adjournment thereof.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the executive Directors are Mr. Yang Shengyao and Mr. Wang Ming; and the independent non-executive Directors are Mr. Ye Sangzhi, Mr. Yu Chi Kit and Ms. Zhu Junbin.