THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Longhui International Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer shall be effected for transmission to the purchaser(s) or the transferee(s).

LONGHUI INTERNATIONAL HOLDINGS LIMITED
龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

(1) MAJOR AND CONNECTED TRANSACTION: PROPOSED ACQUISITION OF 51% EQUITY INTERESTS IN THE TARGET COMPANY AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

MERDEKA 領智

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

AURELIUS CORPORATE FINANCE

A notice convening the EGM (as defined herein) of the Company to be held at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on 11 September 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you propose to attend the extraordinary general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending in person and voting at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the form of proxy previously submitted shall be deemed to be revoked.

25 August 2026

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In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:

"Acquisition"	the proposed acquisition of 51% equity interests in the Target Company by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
"Announcements"	the announcements of the Company dated 29 April 2026 and 30 June 2026 in relation to the Acquisition
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day (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 generally open for business
"Company"	Longhui International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1007)
"Completion"	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration of HK$6,000,000 for the Acquisition
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider, among others, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note
"Enlarged Group"	the Group as enlarged by the Target Company immediately after Completion
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Tam Bing Chung Benson, Mr. Cheung Ting Pong and Ms. Leung Chee Wai Mochi, established for the purposes of making recommendations to the Independent Shareholders in respect of the fairness and reasonableness of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note
"Independent Financial Adviser"	Aurelius Corporate Finance Limited (旭倫企業融資有限公司), a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO, appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note
"Independent Shareholder(s)"	the Shareholders other than Mr. Hung and his associates or other persons who are interested in the Sale and Purchase Agreement and the transactions contemplated thereunder
"Independent Third Party(ies)"	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
"Latest Practicable Date"	21 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Hung"	Mr. Hung Shui Chak, the chairman and executive Director of the Company, who is also interested in 52,842,462 Shares through his wholly-owned company, representing approximately 27.87% of the issued share capital of the Company as at the Latest Practicable Date
"Ms. Hung"	Ms. Hung Tsz Ching, the daughter of Mr. Hung, being the sole director and the substantial shareholder of the Target Company
"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

"Promissory Note"	the zero-coupon promissory note in the principal amount of HK$6,000,000 due 2027 which shall be issued by the Company in favour of the Vendor to settle the Consideration at Completion under the Sale and Purchase Agreement
"Purchaser"	Team Pacific Holdings Limited, a company established in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
"Resumption Guidance"	the resumption guidance as imposed by the Stock Exchange as set out in the announcement of the Company dated 6 May 2025
"Sale and Purchase Agreement"	the sale and purchase agreement dated 29 April 2026 (as supplemented) entered into among the Company, the Purchaser and the Vendor in relation to the Acquisition
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Go Forward Corporation Limited, a limited liability company incorporated in Hong Kong, which is beneficially owned as to 49% by Ms. Hung and 51% by the Vendor before Completion
"Valuation Report"	the valuation report issued by the Valuer in respect of the fair value of 51% equity interest of the Target Company as at 31 December 2025, the text of which is set out in Appendix V to this circular
"Valuer"	BonVision International Appraisals Limited
"Vendor"	Heshun Holdings Company Limited, a limited liability company incorporated in Hong Kong, which is the beneficial owner of 51% equity interests of the Target Company and an Independent Third Party as at the Latest Practicable Date
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

LONGHUI INTERNATIONAL HOLDINGS LIMITED
龍 輝 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

Executive Directors:
Mr. Hung Shui Chak *(Chairman)*
Mr. So Kam Chuen
Mr. Yuan Mingjie

Independent non-executive Directors:
Mr. Cheung Ting Pong
Mr. Tam Bing Chung Benson
Ms. Leung Chee Wai, Mochi

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
6/F., Queen's Road Centre
152 Queen's Road Central
Central, Hong Kong

25 August 2026

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION: PROPOSED ACQUISITION OF 51% EQUITY INTERESTS IN THE TARGET COMPANY AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

References are made to the Announcements.

The Board is pleased to announce that on 29 April 2026 (after trading hours), the Company, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, 51% equity interests in the Target Company for a Consideration of HK$6,000,000, which shall be settled by the issue of the Promissory Note by the Company to the Vendor at Completion.

Upon Completion, the Company will be interested in 51% of the equity interests in the Target Company. As such, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Company will be consolidated into the accounts of the Group.

The purpose of this circular is to provide you with (i) further details about the Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the accountant's report on the Target Company; (v) notice of the EGM; and (vi) other information as required under the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date	:	29 April 2026 (as supplemented)
Parties	:	i. the Company as issuer of the Promissory Note;
		ii. the Purchaser (an indirect wholly-owned subsidiary of the Company) as purchaser; and
		iii. the Vendor as the vendor.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase 51% equity interests in the Target Company.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration payable by the Purchaser for the Acquisition is HK$6,000,000, which shall be settled by the issue of the Promissory Note by the Company at Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the valuation of the 51% equity interests in the Target Company of approximately HK$7,590,000 under the market-based approach, details of which are set out in the Valuation Report as set out in Appendix V to this circular; (ii) the unaudited financial information of the Target Company for the two years ended 31 December 2025; and (iii) the reasons for and benefits of the Acquisition as described below.

Valuation of the Target Company

The Company appointed BonVision International Appraisals Limited, an independent professional valuer, to assess the market value of the 51% equity interests in the Target Company ("**Sale Shares**") as at 31 December 2025. According to the Valuation Report, the appraised value of such equity interests was approximately HK$7,590,000 as at 31 December 2025.

In conducting the Valuation, the Valuer considered the market-based approach, income-based approach and asset-based approach, and adopted the market-based approach using the price-to-sales multiple. The income-based approach was not adopted due to the subjective assumptions involved, while the asset-based approach was considered unable to adequately reflect the Target Company's future earnings potential.

The Valuer selected five comparable companies principally engaged in restaurant operations in Hong Kong or the PRC and adopted the median price-to-sales multiple of approximately 0.26 times. After applying a control premium of 31.4% and a marketability discount of 15.64% to the Target Company's revenue of approximately HK$51.3 million for the year ended 31 December 2025, the appraised value of the Sale Shares was approximately HK$7,590,000.

The Valuation was led and signed by Ms. Angela N.C. Kwan ("**Ms. Kwan**"), CFA, the chief executive officer of the Valuer. Ms. Kwan is a CFA charter holder, holds a master's degree in finance specialising in investment management and has over 15 years of professional valuation and consultancy experience.

The Valuer has confirmed that it has no present or prospective interests in the Company, the Target Company, their associated companies or subsidiaries, or the value reported in the Valuation Report. Based on the qualifications and experience of Ms. Kwan and the confirmation provided by the Valuer, the Directors consider that the Valuer is suitably qualified and independent to conduct the Valuation.

The Consideration of HK$6,000,000 represents a discount of approximately 20.95% to the appraised value of approximately HK$7,590,000. For further details of the Valuation, please refer to **APPENDIX V — VALUATION REPORT** to this circular.

As disclosed above and in the Valuation Report, the asset-based approach was not adopted as it does not adequately capture the earning capability and future economic benefits of the Target Company's business operations as a going concern. Instead, the Valuer adopted the market approach, which values the Target Company by reference to the market valuations of comparable listed restaurant operators and takes into account factors including its revenue-generating capability, profitability, operating scale and business prospects. Accordingly, the Directors consider that a valuation in excess of the net asset value attributable to the Sale Shares is not uncommon and is justified in the circumstances, as the appraised value reflects both the Target Company's underlying net assets and its earnings-generating potential. The Directors therefore consider the appraised value of the Sale Shares to be fair and reasonable.

Conditions precedent

Completion is conditional upon fulfilment or waiver (as the case may be) of the following conditions (the "**Conditions Precedent**"):

(a) the Purchaser being reasonably satisfied with the results of the due diligence review to be conducted on the Target Company;

(b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser and the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(d) the passing by the Independent Shareholders at the EGM to be convened and held of an ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereby, including but not limited to the issue of the Promissory Note; and

(e) the warranties given by the Vendor in the Sale and Purchase Agreement remaining true and accurate in all material respects.

The Purchaser may at its absolute discretion at any time waive in writing any of the Conditions Precedent set out in (a) and (e) above (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. All other Conditions Precedent above are incapable of being waived by the parties. If the Conditions Precedent have not been satisfied (or as the case may be, waived) at or before 12:00 noon on 30 September 2026, or such other date and time as the parties may agree, the Sale and Purchase Agreement shall cease and determine and thereafter none of the parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

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

Completion

Completion shall take place on the next Business Day after all the Conditions Precedent have been satisfied or waived, or such later date as the parties may agree.

Upon Completion, the Company will be interested in 51% of the equity interests in the Target Company. As such, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Company will be consolidated into the accounts of the Group.

THE PROMISSORY NOTE

Subject to the terms and conditions of the Sale and Purchase Agreement, the Company shall issue the Promissory Note to the Vendor for settlement of the Consideration upon Completion. The principal terms and conditions of the Promissory Note are as follows:

Issuer	:	The Company
Noteholder	:	The Vendor
Principal amount	:	HK$6,000,000
Interest	:	Nil
Maturity date	:	The day falling on the first anniversary of the date of issuance of the Promissory Note and if that day is not a Business Day, the next Business Day
Transferability	:	The Promissory Note is non-transferable and non-assignable by the Vendor except with the prior written consent of the Company
Early Redemption	:	The Company may redeem all or part of the outstanding principal of the Promissory Note at any time prior to its maturity, by giving the Vendor not less than ten (10) Business Days' prior written notice

Repayment of the Promissory Note

The Target Company recorded profits for the two years ended 31 December 2025 and is expected to contribute additional operating cash flows to the Enlarged Group following Completion. In addition, Mr. Hung, the chairman, executive Director and substantial Shareholder of the Company, has confirmed his intention to continue providing financial support to the Group as and when necessary to enable the Group to meet its liabilities and financial obligations as they fall due.

Following the resumption of trading in the Shares, the Board will also consider conducting appropriate fund-raising activities, subject to prevailing market conditions, the Group's funding requirements and compliance with the Listing Rules, with a view to strengthening the Group's liquidity and overall financial position.

In the event that the Company is unable to repay the outstanding principal amount of the Promissory Note upon maturity, the Company intends to negotiate in good faith with the Vendor regarding an extension of the maturity date or other appropriate repayment arrangements. Having regard to the immaterial principal amount of the Promissory Note of HK$6,000,000, the expected operating cash flows of the Enlarged Group and the financial support expected to be available from Mr. Hung, the Directors consider that any delay in the repayment of the Promissory Note is not expected to have a material adverse impact on the operations or financial position of the Group.

INFORMATION ON THE PARTIES

The Company and the Purchaser

The Company is an investment holding company. The Group is principally engaged in the operation of a hotpot restaurant chain in the PRC.

The Purchaser is a limited liability company established in the British Virgin Islands. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Vendor

The Vendor is an investment holding company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Vendor is wholly-owned by Heshun Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which in turn is wholly-owned by Mr. LIN Qiang.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, Heshun Holdings Limited and Mr. LIN Qiang are Independent Third Parties and the Vendor has injected HK$1,000,099 into the Target Company since its incorporation.

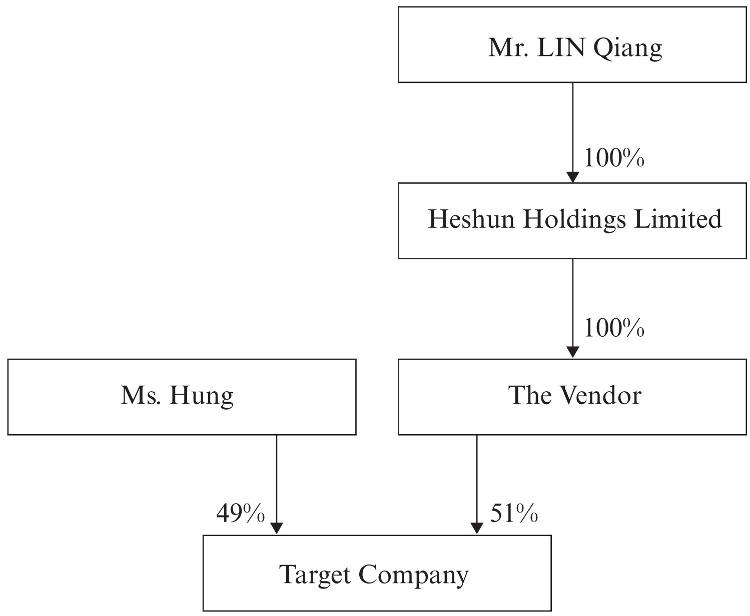
INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong on 14 October 2022 with limited liability. As at the Latest Practicable Date, the Target Company is beneficially owned as to 49% by Ms. Hung and 51% by the Vendor, respectively.

Ms. Hung is the daughter of Mr. Hung and is the sole director of the Target Company responsible for its daily operation. Upon Completion, it is expected that an additional director nominated by the Company will be appointed to the board of directors of the Target Company to oversee its operations and work together with Ms. Hung in the management of the Target Company.

The Target Company is principally engaged in the operation of Thai hotpot restaurants in Hong Kong under the brand name of "四面泰" at Airside Kai Tak and Sha Tin New Town Plaza, respectively.

Below is the shareholding structure of the Target Company as at the Latest Practicable Date:



Set out below is a summary of the financial information of the Target Company for each of the three financial years ended 31 December 2025 and the three months ended 31 March 2026:

	For the period/year ended 31 December			**For the three months ended**	
	2023	**2024**	**2025**	**2025**	**2026**
	audited	*audited*	*audited*	*unaudited*	*audited*
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
	(approximate)	*(approximate)*	*(approximate)*	*(approximate)*	*(approximate)*
Revenue	4,802,000	36,089,000	51,278,000	12,927,000	10,478,000
Net profit/(loss) before taxation	(1,495,000)	3,227,000	5,966,000	1,999,000	99,000
Net profit/(loss) after taxation	(1,495,000)	3,099,000	4,657,000	1,763,000	51,000

The audited total asset value and net asset value of the Target Company as at 31 December 2025 amounted to approximately HK$27,864,000 and approximately HK$7,261,000, respectively. As at 31 March 2026, the audited total asset value and net asset value of the Target Company amounted to approximately HK$22,280,000 and approximately HK$3,312,000, respectively.

The Directors noted that the revenue of the Target Company decreased by approximately 18.9% from approximately HK$12.9 million for the three months ended 31 March 2025 to approximately HK$10.5 million for the three months ended 31 March 2026, while its net profit after taxation decreased from approximately HK$1.8 million to approximately HK$51,000.

The Directors understand that the profitability of the Target Company for the three months ended 31 March 2026 was affected by (i) a reduction in customer traffic as an increasing number of Hong Kong residents travelled to Mainland China, particularly Shenzhen, for dining, shopping and leisure activities, thereby diverting part of their consumption expenditure away from Hong Kong, with the impact being more pronounced at the Target Company's restaurant at Sha Tin New Town Plaza due to its proximity to Mainland China and convenient cross-boundary transport links; and (ii) approximately HK$0.29 million of staff-related expenses, comprising approximately HK$0.15 million of final payments to five frontline restaurant employees whose employment was terminated following management's assessment of their sustained unsatisfactory work performance, and approximately HK$0.14 million of staff bonuses relating to 2025. These expenses were concentrated in the first quarter of 2026 and are not expected to recur at the same level. While the Target Company's revenue and net profit for the three months ended 31 March 2026 decreased, as compared to the corresponding period in 2025, the Directors consider that such deterioration was temporary in nature and does not reflect any fundamental deterioration in the Target Company's underlying business or revenue-generating capability.

Based on the latest unaudited management accounts, the profitability of the Target Company recovered during the three months from April to June 2026, during which it recorded an aggregate net profit of approximately HK$1.05 million. Accordingly, for the six months ended 30 June 2026, the Target Company recorded revenue of approximately HK$20.8 million and net profit of approximately HK$1.1 million, indicating that its profitability had returned to a more normalised level.

The Directors therefore consider that the performance recorded in the first quarter of 2026 was not indicative of the Target Company's future prospects and does not have any material implication on the fairness and reasonableness of the Consideration. In particular, the Directors note that the Target Company remained profitable for the six months ended 30 June 2026 and that its profitability recovered substantially in the second quarter of 2026 after the temporary adverse factors affecting its first-quarter performance had subsided.

The HK$4.0 million dividend was not separately adjusted for in determining the Consideration and, as it was paid after the valuation date, was not reflected in the Valuation. Nevertheless, the Directors were aware of the dividend declaration and payment prior to Completion and have taken such dividend into account when assessing the fairness and reasonableness of the Consideration. The net asset value of the Target Company decreased by approximately HK$3.95 million, from approximately HK$7.26 million as at 31 December 2025 to approximately HK$3.31 million as at 31 March 2026, which broadly corresponds to the HK$4.0 million dividend payment. Accordingly, the decrease in net asset value was substantially attributable to the dividend distribution rather than a deterioration in the underlying operations of the Target Company. As the Valuation was principally based on a P/S multiple and the Target Company's revenue-generating capability rather than its net asset value, the Directors consider that such reduction does not materially affect the fairness and reasonableness of the Consideration.

Accordingly, having considered (i) the Target Company's improved profitability during the three months from April to June 2026 and its overall financial performance for the six months ended 30 June 2026; (ii) the nature and effect of the dividend payment; and (iii) the basis and methodology of the Valuation, the Directors consider that the Consideration remains fair and reasonable.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the accounts of the Target Company will be consolidated into the accounts of the Company. Please refer to Appendix IV to this circular for more information on the basis of preparation of the unaudited pro forma financial information of the Enlarged Group. The pro forma financial information of the Enlarged Group has been prepared based on the judgments and assumptions of the Directors for illustrative purposes only.

Earnings or losses

Upon Completion, the financial results of the Target Company will be consolidated into the financial statements of the Group. For the year ended 31 December 2025, the Target Company recorded net profit after taxation of approximately HK$4.7 million. Accordingly, before taking into account any transaction costs, fair value adjustments, amortisation, impairment or other accounting adjustments which may arise from the Acquisition, the Directors expect that the Acquisition will have a positive contribution to the earnings of the Group.

Assets and Liabilities

Based on the unaudited pro forma consolidated statement of financial position of the Enlarged Group as set out in Appendix IV to this circular, which has been prepared as if the Acquisition had been completed on 30 June 2024 for illustrative purposes, the total assets of the Group would increase from approximately RMB68.1 million to approximately RMB91.6 million, and the total liabilities of the Group would increase from approximately RMB239.3 million to approximately RMB261.3 million.

As the increase in total assets would be higher than the increase in total liabilities, the net liabilities position of the Group would improve from approximately RMB171.2 million to approximately RMB169.7 million.

The Target Company's net current liabilities position as at 31 March 2026 was mainly attributable to the current portion of lease liabilities recognised under IFRS 16 in respect of its restaurant premises and the amount due to Ms. Hung, which was unsecured, non-interest-bearing and repayable on demand. The entire amount due to Ms. Hung has been repaid by the Target Company on 29 April 2026.

The associated lease payments represent recurring operating expenses incurred in the ordinary course of the Target Company's business and have been taken into account in the working capital forecast of the Enlarged Group.

Accordingly, having regard to the nature of the Target Company's net current liabilities and its profitability for the two years ended 31 December 2025, the Directors consider that the Target Company's net current liabilities position is not expected to have any material adverse impact on the operations, liquidity or financial position of the Enlarged Group following Completion.

Further, having considered (i) the profitability of the Target Company and its expected positive contribution to the earnings of the Enlarged Group; (ii) the potential operational synergies expected to arise following Completion; (iii) the expected financial resources and cash flows of the Enlarged Group; and (iv) the Consideration of HK$6,000,000, which will be settled by the issue of the interest-free Promissory Note and will therefore not result in any immediate cash outflow by the Group, the Directors consider that the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the operation of hotpot restaurants in the PRC.

The Target Company is principally engaged in the operation of two Thai hotpot restaurants in Hong Kong, with net profit after taxation for the two consecutive financial years ended 31 December 2025. The Directors consider that the Acquisition would strengthen the Group's business fundamentals by introducing a differentiated Thai hotpot brand with an established market presence and customer base, broaden the Group's product offering by expanding into the Thai hotpot segment, and enrich its brand portfolio. As the Target Company operates in Hong Kong, the Acquisition would also enable the Group to expand its geographical footprint beyond the PRC, diversify its operating base and create a broader platform for future business development. In addition, the Directors believe that the Acquisition would allow the Group to leverage its existing experience in hotpot restaurant operations to realise operational synergies.

Although the Group's existing restaurants are located in Shanghai, the PRC, while the Target Company's restaurants are located in Hong Kong, both businesses are principally engaged in the operation of hotpot restaurants. The Directors therefore consider that potential operational synergies may be achieved through the exchange and application of their respective restaurant-management experience, operating know-how and best practices.

In particular, the Group and the Target Company may share ideas and experience relating to menu development, soup bases, presentation, seasonal offerings, restaurant layout and interior design, customer-service standards, food safety, quality control and staff training. The Enlarged Group may also adopt common or compatible management and control systems in areas such as point-of-sale data analysis, inventory control, restaurant-level budgeting, cost monitoring and performance assessment.

Management expertise may be shared through periodic visits, operational reviews, joint management meetings and, where appropriate, the temporary secondment or deployment of relevant personnel between the two businesses. The Group and the Target Company may also exchange supplier and product information and explore crossover menu items or the use of specialty ingredients from the respective regions.

Upon Completion, the Company shall nominate an additional director for appointment to the board of directors of the Target Company. Such board representation is expected to facilitate the Group's participation in the strategic planning and operational oversight of the Target Company and support the implementation of the anticipated operational synergies described above.

Given the geographical separation between Shanghai and Hong Kong and the need to source fresh ingredients locally, the Group does not presently expect to achieve material cost savings through the integration of their physical supply chains, common procurement of fresh ingredients or consolidation of suppliers. Accordingly, the anticipated synergies are expected to arise mainly from improvements in restaurant management, operating controls, product development and staff capabilities rather than from physical supply-chain integration.

The Directors also consider that settlement of the Consideration by way of an interest-free Promissory Note, rather than immediate cash payment, would avoid immediate cash outflow and preserve the Group's working capital and liquidity. In light of the above, the Directors believe that the Acquisition would strengthen the Group's business and enhance long-term value for the Company and its Shareholders as a whole.

Therefore, the Directors (save for the independent non-executive Directors whose views are set out in the "Letter from the Independent Board Committee" in this circular after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Sale and Purchase Agreement and the Promissory Note are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Hung is the chairman and executive Director of the Company, and through Shui Chak Group Limited, being a wholly owned company of Mr. Hung, is a substantial shareholder of the Company interested in 27.87% of the issued share capital of the Company. Accordingly, by virtue of his position as an executive Director and his shareholding interest, Mr. Hung is a controller of the Company for the purposes of Chapter 14A of the Listing Rules. As Ms. Hung, being the daughter of Mr. Hung, is interested in the remaining 49% equity interests in the Target Company, the Acquisition of the equity interests in the Target Company from the Vendor, notwithstanding that the Vendor is an Independent Third Party, constitutes a connected transaction of the Company pursuant to Rule 14A.28(1) of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 25%, but all are less than 100%, the Acquisition constitutes a major and connected transaction of the Company and is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Cheung Ting Pong, Mr. Tam Bing Chung Benson and Ms. Leung Chee Wai, Mochi, has been established by the Company to consider and to advise the Independent Shareholders whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how to vote on the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note. Aurelius Corporate Finance Limited has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the Independent Shareholders for the purpose of considering and, if thought fit, approving, among others, the Acquisition and issue of the Promissory Note by way of poll. A notice convening the EGM to be held at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Friday, 11 September 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

As Ms. Hung, being the substantial shareholder of the Target Company, is the daughter of Mr. Hung, Mr. Hung has abstained from voting on the relevant Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder to avoid any potential conflict of interest. Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the other Directors has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and none of them is required to abstain from voting on the relevant Board resolutions.

In addition, Mr. Hung, through Shui Chak Group Limited, a wholly owned company of Mr. Hung, is interested in 52,842,462 Shares, representing approximately 27.87% of the issued share capital of the Company. In view of the interests of Mr. Hung, each of Mr. Hung and his associates will abstain from voting in relation to the resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' information, belief and knowledge, save for Mr. Hung and his associates, no other Shareholders have material interest in relation to the Sale and Purchase Agreement and therefore no other Shareholders are required to abstain from voting in the EGM.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the resolution proposed at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

FORM OF PROXY

You will find the enclosed proxy form for use at the EGM with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof to the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the list of shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 8 September 2026 to Friday, 11 September 2026. No transfer of shares of the Company will be registered during these days. In order to qualify to attend and vote at the EGM, all instruments of transfer together with the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716,17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 September 2026. The record date for attending and voting at the EGM is Friday, 11 September 2026.

RECOMMENDATION

Shareholders are advised to read carefully the "Letter from the Independent Board Committee" in this circular regarding the Sale and Purchase Agreement on pages 18 to 19 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 20 to 43 of this circular, considers that although the entering into of the Sale and Purchase Agreement is not in the ordinary and usual course of business of the Company, the terms of the Sale and Purchase Agreement are fair and reasonable insofar as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

Having considered the above, the Directors (including the independent non-executive Directors) believe that the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, are on normal commercial terms, are fair and reasonable and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole, and thus, recommend that all the Independent Shareholders vote in favour of the resolutions to be proposed at the EGM.

WARNING STATEMENT

Shareholders should note that:

(a) Trading in the Company's shares on the Stock Exchange has been suspended since 31 March 2025. Under Rule 6.01A, the Company must ensure trading in its shares to resume by the 18-month prescribed remedial period ending on 30 September 2026. Otherwise, the Exchange will be entitled to delist the Company.

(b) To resume trading, the Company must demonstrate to the Exchange's satisfaction that it has met all the resumption guidance, addressed all the issues arising from time to time warranting a trading suspension and re-complied with the Listing Rules by the resumption deadline.

(c) Publication of this circular does not indicate any decision or conclusion from the Stock Exchange not to delist the Company, fulfillment of any resumption guidance, nor warrant any approval from the Stock Exchange on the resumption of trading in the existing shares on the Stock Exchange.

(d) The Company will disclose updates on the satisfaction of resumption guidance by way of announcement, as and when appropriate.

(e) Shareholders and potential investors of the Company should exercise caution when dealing in the Company's shares, and if they are in any doubt about their positions, they should consult their professional advisers.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 31 March 2025, and will remain suspended until the Company fulfils the Resumption Guidance.

ADDITIONAL INFORMATION

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

As the Completion is subject to the satisfaction or waiver (if applicable) of certain conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt about their position, they should consult their professional advisers.

Yours faithfully,
By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and executive Director

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note.

LONGHUI INTERNATIONAL HOLDINGS LIMITED
龍 輝 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

25 August 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION: PROPOSED ACQUISITION OF 51% EQUITY INTERESTS IN THE TARGET COMPANY

We refer to the circular of the Company dated 25 August 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders (i) whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote on the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note.

Aurelius Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out in the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendices thereto.

Having considered the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, and taking into account the independent advice of the Independent Financial Adviser, although the entering into of the Sale and Purchase Agreement is not in the ordinary and usual course of business of the Company, we consider that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder including the issue of the Promissory Note are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the relevant resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note at the EGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Mr. Tam Bing Chung Benson **Mr. Cheung Ting Pong** **Ms. Leung Chee Wai Mochi**
Independent non-executive Directors

Set out below is the text of a letter of advice from Aurelius Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, which has been prepared for the purpose of inclusion in this circular:

AURELIUS
CORPORATE FINANCE

Unit 3203, 32/F, Tower 2
Lippo Centre, 89 Queensway
Hong Kong

25 August 2026

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

Dear Sirs/Madam,

MAJOR AND CONNECTED TRANSACTION: PROPOSED ACQUISITION OF 51% EQUITY INTERESTS IN THE TARGET COMPANY

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 Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, details of which are set out in the Letter from the Board (the "**Board Letter**") of the circular issued by the Company dated 25 August 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

References are made to the Announcements. On 29 April 2026 (after trading hours), the Company, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, 51% equity interests in the Target Company for a Consideration of HK$6,000,000, which shall be settled by the issue of the Promissory Note by the Company to the Vendor upon Completion.

Upon Completion, the Company will be interested in 51% of the equity interest of the Target Company. As such, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Hung is the chairman and executive Director of the Company, and through Shui Chak Group Limited, being a wholly owned company of Mr. Hung, is a substantial shareholder of the Company interested in 27.87% of the issued share capital of the Company. Accordingly, by virtue of his position as an executive Director and his shareholding interest, Mr. Hung is a controller of the Company for the purposes of Chapter 14A of the Listing Rules. As Ms. Hung, being the daughter of Mr. Hung, is interested in the remaining 49% equity interests in the Target Company, the Acquisition of the equity interests in the Target Company from the Vendor, notwithstanding that the Vendor is an Independent Third Party, constitutes a connected transaction of the Company pursuant to Rule 14A.28(1) of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 25%, but all are less than 100%, the Acquisition constitutes a major and connected transaction of the Company and is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Cheung Ting Pong, Mr. Tam Bing Chung Benson and Ms. Leung Chee Wai, Mochi, has been established by the Company to consider and to advise the Independent Shareholders whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how to vote on the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note.

We, Aurelius Corporate Finance Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

Save for our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, as at the Latest Practicable Date, we were not aware of any relationships or interests between Aurelius Corporate Finance Limited and the Company or any other parties that could reasonably be regarded as a hindrance to the independence of Aurelius Corporate Finance Limited as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations. Apart from normal professional fees paid or payable to us in connection with our appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We are not aware of the existence of, or any change in, any circumstances that would affect our independence. Aurelius Corporate Finance Limited has not acted as a financial adviser to the Company in the last two years.

Accordingly, we consider that we are eligible to give independent advice on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company (the "**Management**"). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely and wholly responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date.

We have also assumed that all statements of belief, opinion, and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Directors and the Management. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group.

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

This letter is issued for the purpose of providing the information to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, we have taken into account the principal factors and reasons set out below:

A. Information of the Group, the Company and the Purchaser

The Company is an investment holding company. The Group is principally engaged in the operation of a hotpot restaurant chain in the PRC under the brands of Faigo ("**輝哥**") and Xiao Faigo Hotpot ("**小輝哥火鍋**"), targeting mainly high-income customers and middle-income customers, respectively. The Group specialises in seafood hotpot cuisine with a signature menu characterised by aromatic soup bases and a wide selection of seafood and beef. As at the Latest Practicable Date, the Group continued to operate four hotpot restaurants in the PRC.

The Purchaser is a limited liability company established in the British Virgin Islands. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

As disclosed in the Board Letter, the Group's existing hotpot restaurant business has faced a challenging operating environment in recent years, including a decrease in customer traffic, a reduction in the number of restaurants and operating cost pressures. We further note that, as disclosed in the interim report of the Company for the six months ended 30 June 2024 (the "**2024 Interim Report**") (being the most recent financial report published by the Company), the Group's revenue decreased by approximately 34.7%, from approximately RMB45.0 million for the six months ended 30 June 2023 to approximately RMB29.4 million for the six months ended 30 June 2024, while loss for the period attributable to owners of the Company increased by approximately 143.5% to approximately RMB5.6 million from approximately RMB2.3 million in the corresponding period. Set out below is the unaudited consolidated key financial information of the Group for the six months ended 30 June 2024 and the comparative figures, as extracted from the Company's 2024 Interim Report:

	For the six months ended 30 June	
	2024	**2023**
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	29,403	44,965
Loss from operating activities	(4,430)	(466)
Loss for the period attributable to owners of the Company	(5,617)	(2,272)

	As at 30 June 2024 *RMB'000* (unaudited)	**As at 31 December 2023** *RMB'000* (audited)
Non-current assets	18,479	19,662
Current assets	49,663	25,739
Current liabilities	223,544	218,275
Non-current liabilities	15,778	17,828
Capital deficiency	(171,180)	(190,702)
Deficiency attributable to owners of the Company	(168,969)	(188,491)

As depicted from the table above, the Group's total assets increased from approximately RMB45.4 million as at 31 December 2023 to approximately RMB68.1 million as at 30 June 2024. In particular, the cash and cash equivalent of the Group increased from approximately RMB2.9 million as at 31 December 2023 to approximately RMB28.1 million as at 30 June 2024. Such increase in cash and cash equivalents was mainly attributable to the placing of new Shares under specific mandate which completed on 26 June 2024. According to the announcement published by the Company dated 26 June 2024, the Company completed a placing of an aggregate of 63,220,000 new Shares under specific mandate on 26 June 2024, which represented approximately 37.5% of the enlarged issued share capital of the Company upon the completion of the placing, and the net proceeds (after deduction of relevant expenses including but not limited to the placing commission, legal expenses and disbursements) amounted to approximately HK$28.8 million (equivalent to approximately RMB26.9 million). In addition, the total liabilities of the Group slightly increased from approximately RMB236.1 million as at 31 December 2023 to approximately RMB239.3 million as at 30 June 2024. As a result of the foregoing, the deficiency attributable to owners of the Company slightly decreased from deficiency of approximately RMB188.5 million as at 31 December 2023 to deficiency of approximately RMB169.0 million as at 30 June 2024.

We further note from the announcement published by the Company dated 19 December 2024 and 30 December 2024 that pursuant to a placing and subscription agreement dated 19 December 2024, Shui Chak Group Limited (whose ultimate beneficial owner is Mr. Hung) sold 21,000,000 existing Shares of the Company to the placees and Shui Chak Group Limited subscribed for an equivalent number of new shares from the Company at the same price under the general mandate. The placing and subscription completed on 30 December 2024, raising net proceeds of approximately HK$2.42 million.

In light of the above, notwithstanding the two equity fundraising exercises completed in June 2024 and December 2024, we note that the Group has continued to face a challenging operating environment in recent years and remains in a capital deficiency position, which provides commercial context for the Group to broaden its operating base by way of the Acquisition.

B. Information on the Target Company

The Target Company is a company incorporated in Hong Kong on 14 October 2022 with limited liability. The Target Company is principally engaged in the operation of Thai hotpot restaurants in Hong Kong under the brand name of "四面泰" at Airside Kai Tak and Sha Tin New Town Plaza, respectively.

As at the Latest Practicable Date, the Target Company is beneficially owned as to 49% by Ms. Hung and 51% by the Vendor, respectively.

Ms. Hung is the daughter of Mr. Hung and is the sole director of the Target Company responsible for its daily operation. Upon Completion, it is expected that an additional director nominated by the Company will be appointed to the board of directors of the Target Company to oversee its operations and work together with Ms. Hung in the management of the Target Company.

The Vendor is an investment holding company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Vendor is wholly-owned by Heshun Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which in turn is wholly-owned by Mr. Lin Qiang.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, Heshun Holdings Limited and Mr. Lin Qiang are Independent Third Parties.

Set out below is a summary of the audited financial information of the Target Company for each of the three financial years ended 31 December 2025 and the three months ended 31 March 2025 and 2026, based on the accountant's report on the Target Company as set out in Appendix II to the Circular:

	For the period/year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited) *(note)*	(audited)	(audited)	(unaudited)	(audited)
Revenue	4,802	36,089	51,278	12,927	10,478
(Loss)/profit before taxation	(1,495)	3,227	5,966	1,999	99
(Loss)/profit and total comprehensive (expense)/ income for the period/year	(1,495)	3,099	4,657	1,763	51

Note: The historical financial information of the Target Company for the period ended 31 December consists of the period from 14 October 2022 to 31 December 2023.

The audited total asset value and net asset value of the Target Company as at 31 December 2025 amounted to approximately HK$27.9 million and approximately HK$7.3 million, respectively. As at 31 March 2026, the audited total asset value and net asset value of the Target Company amounted to approximately HK$22.3 million and approximately HK$3.3 million, respectively.

The revenue of the Target Company increased from approximately HK$4.8 million for the period ended 31 December 2023 to approximately HK$36.1 million for the year ended 31 December 2024, and further to approximately HK$51.3 million for the year ended 31 December 2025. The Target Company recorded a loss of approximately HK$1.5 million for the period ended 31 December 2023, which turned into profit of approximately HK$3.1 million for the year ended 31 December 2024, and further increased to approximately HK$4.7 million for the year ended 31 December 2025. We have discussed with the Management, and we have noted from the Circular, that such increase in revenue and profitability was mainly attributable to (i) the full-year contribution from the Sha Tin New Town Plaza operation in 2024 and 2025 (which had only commenced in the second half of 2023); (ii) the additional contribution from the Airside Kai Tak operation (which commenced in the second half of 2024); and (iii) improved operating efficiency as the Target Company's business scaled up.

The revenue of the Target Company decreased by approximately 18.9% from approximately HK$12.9 million for the three months ended 31 March 2025 to approximately HK$10.5 million for the three months ended 31 March 2026, while its net profit and total comprehensive income for the period decreased from approximately HK$1.8 million for the three months ended 31 March 2025 to approximately HK$51,000 for the three months ended 31 March 2026.

As disclosed in the Board Letter, the profitability of the Target Company for the three months ended 31 March 2026 was affected by (i) a reduction in customer traffic as an increasing number of Hong Kong residents travelled to Mainland China, particularly Shenzhen, for dining, shopping and leisure activities, thereby diverting part of their consumption expenditure away from Hong Kong, with the impact being more pronounced at the Target Company's restaurant at Sha Tin New Town Plaza due to its proximity to Mainland China and convenient cross-boundary transport links; and (ii) approximately HK$0.29 million of staff-related expenses, comprising approximately HK$0.15 million of final payments to five frontline restaurant employees whose employment was terminated following management's assessment of their sustained unsatisfactory work performance, and approximately HK$0.14 million of staff bonuses relating to 2025. These expenses were concentrated in the first quarter of 2026 and are not expected to recur at the same level. While the Target Company's revenue and net profit for the three months ended 31 March 2026 decreased, as compared to the corresponding period in 2025, the Directors consider that such deterioration was temporary in nature and does not reflect any fundamental deterioration in the Target Company's underlying business or revenue-generating capability.

We further note from the Board Letter that, based on the latest unaudited management accounts, the profitability of the Target Company recovered during the three months from April to June 2026, during which it recorded an aggregate net profit of approximately HK$1.05 million. Accordingly, for the six months ended 30 June 2026, the Target Company recorded revenue of approximately HK$20.8 million and net profit of approximately HK$1.1 million, indicating that its profitability had returned to a more normalised level.

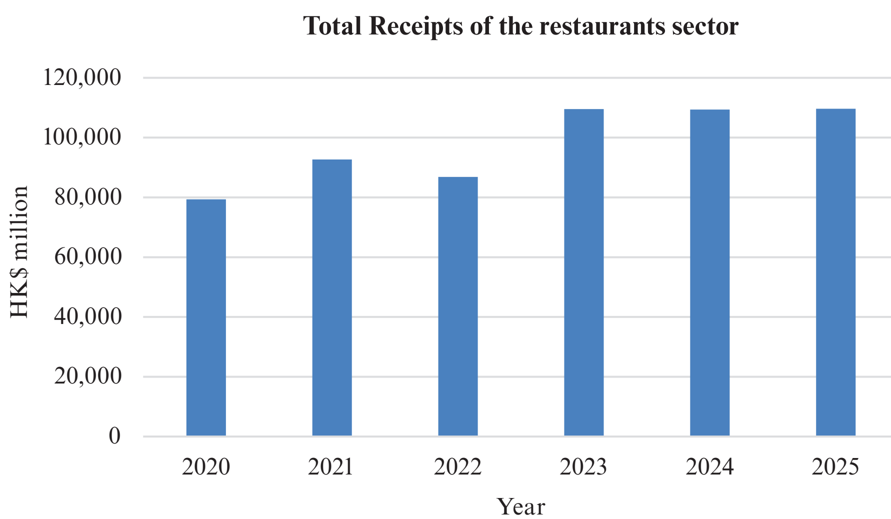
As discussed in the Board Letter, the Directors therefore consider that the performance recorded in the first quarter of 2026 was not indicative of the Target Company's future prospects and does not have any material implication on the fairness and reasonableness of the Consideration. In particular, the Directors note that the Target Company remained profitable for the six months ended 30 June 2026 and that its profitability recovered substantially in the second quarter of 2026 after the temporary adverse factors affecting its first-quarter performance had subsided.

As disclosed in the Board Letter, the HK$4.0 million dividend was not separately adjusted for in determining the Consideration and, as it was paid after the valuation date, was not reflected in the Valuation. Nevertheless, the Directors were aware of the dividend declaration and payment prior to Completion and have taken such dividend into account when assessing the fairness and reasonableness of the Consideration. The net asset value of the Target Company decreased by approximately HK$4.0 million, from approximately HK$7.3 million as at 31 December 2025 to approximately HK$3.3 million as at 31 March 2026, which broadly corresponds to the HK$4.0 million dividend payment. Accordingly, the decrease in net asset value was substantially attributable to the dividend distribution rather than a deterioration in the underlying operations of the Target Company. As the Valuation was principally based on a P/S multiple and the Target Company's revenue-generating capability rather than its net asset value, the Directors consider that such reduction does not materially affect the fairness and reasonableness of the Consideration.

Accordingly, having considered (i) the Target Company's improved profitability during the three months from April to June 2026 and its overall financial performance for the six months ended 30 June 2026; (ii) the nature and effect of the dividend payment; and (iii) the basis and methodology of the Valuation, the Directors consider that the Consideration remains fair and reasonable.

C. Industry Overview

According to the 2025 edition of Statistical Digest of Services Sector published by the Census and Statistics Department on 30 May 2025, the food and beverage services accounted for approximately 1.5% of the Hong Kong Gross Domestic Product (the "**GDP**"). Following the COVID-19 pandemic, the sector experienced a period of recovery, supported by the return of inbound tourism and local consumption. According to the statistics published by the Census and Statistics Department, the total receipts of the restaurants sector in Hong Kong grew from approximately HK$79.3 billion in 2020 to approximately HK$109.6 billion in 2025, representing a compound annual growth rate (the "**CAGR**") of approximately 6.7%.



Source: Census and Statistics Department

In particular, according to the Census and Statistics Department, the total receipts of the non-Chinese restaurants increased from approximately HK$34.8 billion in 2024 to approximately HK$36.2 billion in 2025, representing a year-on-year increase of approximately 4.1%. The Report on Quarterly Survey of Restaurant Receipts and Purchases published by the Census and Statistics Department on 6 May 2026 further indicated that the total receipts of non-Chinese restaurants increased from approximately HK$9.9 billion in the first quarter of 2025 to provisional estimate of approximately HK$10.1 billion in the first quarter of 2026, representing an increase of approximately 2.8% in the first quarter of 2026 as compared to that in 2025.

In addition, according to the press release published by the Hong Kong Tourism Board on 19 January 2026, the provisional full-year visitor arrivals to Hong Kong reached approximately 49.9 million in 2025, representing an increase of approximately 12% year-on-year. The Hong Kong restaurants sector is therefore expected to continue to benefit from a combination of local consumer spending and tourism-driven demand.

Taking into account the recovery and growth of the Hong Kong restaurants sector, the outperformance of non-Chinese restaurants and the supportive tourism inbound, we are of the view that the Acquisition would be advantageous of the Group to capture the recovery and growth of the Hong Kong non-Chinese restaurants sector and is in the interests of the Company and the Shareholders as a whole.

D. Reasons for and benefits of the Acquisition

The Group is principally engaged in the operation of hotpot restaurants in the PRC.

The Target Company is principally engaged in the operation of two Thai hotpot restaurants in Hong Kong, with net profit after taxation for the two consecutive financial years ended 31 December 2025. As stated in the Board Letter, the Directors consider that the Acquisition would strengthen the Group's business fundamentals by introducing a differentiated Thai hotpot brand with an established market presence and customer base, broaden the Group's product offering by expanding into the Thai hotpot segment, and enrich its brand portfolio. As the Target Company operates in Hong Kong, the Acquisition would also enable the Group to expand its geographical footprint beyond the PRC, diversify its operating base and create a broader platform for future business development. In addition, the Directors believe that the Acquisition would allow the Group to leverage its existing experience in hotpot restaurant operations to realise operational synergies.

As further disclosed in the Board Letter, although the Group's existing restaurants are located in Shanghai, the PRC, while the Target Company's restaurants are located in Hong Kong, both businesses are principally engaged in the operation of hotpot restaurants. The Directors therefore consider that potential operational synergies may be achieved through the exchange and application of their respective restaurant-management experience, operating know-how and best practices.

In particular, the Group and the Target Company may share ideas and experience relating to menu development, soup bases, presentation, seasonal offerings, restaurant layout and interior design, customer-service standards, food safety, quality control and staff training. The Enlarged Group may also adopt common or compatible management and control systems in areas such as point-of-sale data analysis, inventory control, restaurant-level budgeting, cost monitoring and performance assessment.

Management expertise may be shared through periodic visits, operational reviews, joint management meetings and, where appropriate, the temporary secondment or deployment of relevant personnel between the two businesses. The Group and the Target Company may also exchange supplier and product information and explore crossover menu items or the use of specialty ingredients from the respective regions.

Upon Completion, the Company shall nominate an additional director for appointment to the board of directors of the Target Company. Such board representation is expected to facilitate the Group's participation in the strategic planning and operational oversight of the Target Company and support the implementation of the anticipated operational synergies described above.

We note from the Board Letter that, given the geographical separation between Shanghai and Hong Kong and the need to source fresh ingredients locally, the Group does not presently expect to achieve material cost savings through the integration of its physical supply chains, common procurement of fresh ingredients or consolidation of suppliers, and that the anticipated synergies are expected to arise mainly from improvements in restaurant management, operating controls, product development and staff capabilities rather than physical supply-chain integration.

Although the Group is also principally engaged in the operation of hotpot restaurants, we are of the view that the Acquisition is not in the ordinary and usual course of business of the Group, taking into account that (i) the Target Company operates Thai-style hotpot restaurants, whereas the Group operates Chinese-style hotpot restaurants, which represent a different cuisine, menu and customer segment from the Target Company's Thai hotpot business; and (ii) the Target Company's two restaurants are located in Hong Kong, whereas the Group's existing restaurant operations are located in the PRC, such that the Acquisition will introduce a new geographical market for the Group and potential synergy may be achieved through the exchange and application of their respective restaurant-management experience, operating know-how and best practices, and common management and control systems. Notwithstanding the above, having considered the Reasons for and benefits of the Acquisition as set out in this section and the closely related nature of the underlying business (i.e. hotpot restaurant operations), we consider that the Acquisition, although not in the ordinary and usual course of business of the Group, is consistent with the Group's overall business strategy.

Having discussed with the Management, we understand that the Directors also consider that settlement of the Consideration by way of an interest-free Promissory Note, rather than by an immediate cash payment, would avoid an immediate cash outflow and preserve the Group's working capital and liquidity. In light of the above, we consider that the settlement of the Consideration by way of the Promissory Note is also in the interests of the Company and Shareholders as a whole and is conducted on normal commercial terms or better.

On the basis of the above, we consider that, although the Acquisition is not in the ordinary and usual course of business of the Group, the entering into the Sale and Purchase Agreement and the Promissory Note are on normal commercial terms or better, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

E. Principal terms of the Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are as follows:

Date	:	29 April 2026 (after the trading hours)
Parties	:	i. the Company as issuer of the Promissory Note;
		ii. the Purchaser (an indirect wholly-owned subsidiary of the Company) as purchaser; and
		iii. the Vendor as the vendor.

Assets to be Acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase 51% equity interests in the Target Company.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration payable by the Purchaser for the Acquisition is HK$6,000,000, which shall be settled by the issue of the Promissory Note by the Company at Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the valuation of the 51.0% equity interests in the Target Company of approximately HK$7,590,000 under the market-based approach, details of which are set out in the Valuation Report as set out in Appendix V to this circular; (ii) the unaudited financial information of the Target Company for the two years ended 31 December 2025; and (iii) the reasons for and benefits of the Acquisition as described above.

Consequences of termination of the Sale and Purchase Agreement and implication of Rule 13.24 of the Listing Rules

We note that the latest available financial information of the Group is only up to 30 June 2024. Given the time elapsed since then and the absence of more recent financial information on the Group's financial performance and position, we are not in a position to assess whether the Group, based on its existing operations and latest financial position, would be able to demonstrate compliance with Rule 13.24 of the Listing Rules.

Nevertheless, having considered the financial performance and prospects of the Target Company, as well as the potential synergies expected to arise upon Completion, we are of the view that the Acquisition is expected to strengthen the Group's overall operating and financial performance and broaden its business presence by expanding its hotpot restaurant operations into the Hong Kong market. In particular, the contribution from the Target Company would provide the Group with an additional revenue and profit-generating business in Hong Kong and diversify the geographical coverage of its existing restaurant operations.

Having considered the above, we are of the view that the Acquisition, notwithstanding that it is not in the ordinary and usual course of business of the Group, would strengthen the Group's operational scale and financial performance and thereby materially assist the Company in demonstrating compliance with Rule 13.24 of the Listing Rules and in fulfilling the resumption guidance issued by the Stock Exchange on 6 May 2025. Accordingly, the Acquisition would also reduce the risk of cancellation of the listing of the Company's shares under Rule 6.01A(1) of the Listing Rules. On this basis, we consider that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, are in the interests of the Company and the Shareholders as a whole.

F. Assessment of the Consideration

As disclosed in the Board Letter, the Consideration was determined with reference to the appraised value of the Target Company as at 31 December 2025 of approximately HK$7,590,000 conducted by the Valuer using the market-based approach.

Valuation of the Target Company

In assessing the fairness and reasonableness of the Consideration, we have obtained and reviewed the Valuation Report in relation to the valuation of the Target Company and the underlying basis and assumptions prepared by the Valuer. As stated in the Valuation Report, the market value of 51% equity interests in the Target Company as at 31 December 2025 was approximately HK$7,590,000 (the "**Appraised Value**") under the market-based approach, and the Consideration of HK$6,000,000 represents a discount of approximately 20.9% to the Appraised Value.

Scope of work

We have reviewed the terms of engagement of the Valuer and consider that its scope of work is appropriate to the opinion required to be given and we are not aware of any limitation on the scope of work which might adversely impact on the degree of assurance given by the Valuation Report.

Qualification, experience and independence of the Valuer

For our due diligence purpose, we have reviewed the supporting documents on the qualifications, experience and expertise of the Valuer and discussed the same with the Valuer. In particular, we noted that Ms. Angela Kwan, the person signing the Valuation Report, being the chief executive officer of the Valuer, is a charterholder of Chartered Financial Analyst, and a holder of Master Degree of Finance (Investment Management), with over 15 years of experience in providing valuation and consultancy services for listed and private companies in Hong Kong, the PRC, and worldwide, for accounting, financing, investment, merger and acquisition, initial public offering and spin-off purposes. The Valuer also confirmed its independence from the Group, the Target Company and their respective associates.

Based on the above, we are satisfied with the competence and experience of the Valuer in respect of the preparation of the Valuation Report.

Assumptions adopted by the Valuer

We have reviewed the Valuation Report and discussed with the Valuer in respect of the key assumptions adopted for performing the Valuation. We understand from the Valuer that the assumptions are commonly adopted in other business valuations on companies and there is no unusual assumption adopted in the Valuation. We also consider that the assumptions adopted in the Valuation Report are general in nature. We are not aware of any material facts which may lead us to doubt the reasonableness of the assumptions adopted for the Valuation.

Selection of valuation methodology

We have further discussed with the Valuer on the selection of valuation methodology. We understand from the Valuer that the Valuer has considered the three generally accepted approaches, which are commonly adopted approaches for valuation of business and are also consistent with normal market practice, namely market-based approach, income-based approach and asset-based approach. According to the Valuation Report, the market-based approach was adopted for the valuation of the Target Company.

As advised by the Valuer, the income-based approach was not adopted, as it would have required numerous assumptions that are inherently subjective and could have materially influenced the valuation outcome. In addition, as advised by the Valuer, the asset-based approach was not chosen, as it would not have captured the future earnings potential of the business as going concern and, therefore, could not accurately reflect the market value. As stated in the Board Letter, the Directors consider that a valuation in excess of the net asset value attributable to the Sale Shares is not uncommon and is justified in the circumstances, as the appraised value reflects both the Target Company's underlying assets and its earnings-generating potential. Having considered that (i) the net asset value attributable to the Sale Shares only reflects the historical carry amounts of net assets and does not capture future earnings potential; and (ii) the market-based approach values the Target Company by reference to market valuations of comparable listed restaurant operators and takes into account factors including its revenue-generating capability, profitability, operating scale and business prospects, we concur with the Directors that the Appraised Value under the market-based approach, as compared to the asset value under asset-based approach, is fair and reasonable so far as the Independent Shareholders are concerned.

Application of the market-based approach

The Target Company is principally engaged in the operation of restaurants. As set out in the Valuation Report, the Valuer has identified six comparable companies (including the Group itself) (the "**Comparable Companies**") with reference to data extracted from publicly available information including S&P Capital IQ. In selecting the appropriate comparable companies, the Valuer has adopted the following selection criteria:

- The companies are listing on the Stock Exchange;
- The companies are primarily engaged in restaurant industry, with operation of hotpot restaurants, with more than 50% revenue generated from restaurant operations;
- The companies have major operating segment with more than 50% revenue from Hong Kong or China;
- The companies have a market capitalization of less than HK$10 billion;
- The companies have sufficient listing and operating histories; and
- The financial information of the companies is available to the public.

We note that the six Comparable Companies included the Group itself. However, having considered the Group's trading suspension and capital deficiency position, the Valuer has excluded the P/S multiple of the Group in the valuation exercise. Among the remaining five Comparable Companies, two are principally engaged in the operation of restaurants in Hong Kong (namely, LH Group Limited and MS Concept Limited); Xiabuxiabu Catering Management (China) Holdings Co., Ltd. derives a substantial part of its revenue from the PRC and the remainder from Hong Kong and Taiwan (as the latest annual report of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. did not separately disclose the revenue from each of Hong Kong and Taiwan, the exact amount of revenue generated in Hong Kong is unavailable); while the remaining two (namely, Best Food Holding Company Limited and Jiumaojiu International Holdings Limited) derive all of their restaurant revenue from the PRC, whereas the Target Company's restaurants are located in Hong Kong.

In assessing whether the selection criteria adopted by the Valuer are fair and reasonable notwithstanding this geographical difference, we consider that the number of listed companies principally engaged in restaurant industry in Hong Kong (with operation of hotpot restaurants) and satisfying the other selection criteria is limited, and restricting the Comparable Companies to Hong Kong-operating hotpot restaurants only would materially reduce the sample size and undermine the reliability of the P/S multiple. Given the limited number of such listed companies in Hong Kong, we further consider that (a) the Target Company is principally engaged in the operation of hotpot restaurants in Hong Kong, and each of the Comparable Companies is principally engaged in restaurant industry with the operation of hotpot restaurants, which share substantially similar operating models and revenue drivers; and (b) the PRC is the closest market to Hong Kong in terms of hotpot dining culture, making PRC-based hotpot restaurant operators the most appropriate comparables, apart from those operating exclusively in Hong Kong. Accordingly, in our view, listed companies operating hotpot restaurants in the PRC are a reasonable proxy for the Target Company.

For further details of the Comparable Companies, please refer to the Valuation Report as set out in Appendix V to the Circular.

As set out in the Valuation Report, the Appraised Value of the Target Company is derived from (i) applying the median of the adjusted P/S multiples of the Comparable Companies to the revenue of the Target Company as at 31 December 2025; and (ii) applying the control premium and marketability discount.

P/S multiples

According to the Valuation Report, in assessing the relationship of a company's valuation with its fundamentals, the Valuer has considered various commonly used valuation benchmarks in assessing the valuation of a company, including the price-to-sales ratio (the "**P/S multiple**"), the price-to-earnings ratio (the "**P/E multiple**") and the price-to-book ratio ("**P/B multiple**").

According to the Valuation Report, the P/B multiple was not adopted, as it would not have captured the future earnings potential of the Target Company. As discussed in the Valuation Report, the Valuer considered not to adopt P/E multiple in the process of valuation for the following reasons:

(i) The P/E multiples of Comparable Companies exhibited an excessively wide range, making it difficult to derive a reliable and representative multiple for valuation purposes.

(ii) Certain comparable companies did not have available or reliable P/E data (e.g., companies with negative earnings or extreme P/E ratios), further undermining the reliability of this approach.

(iii) In the restaurant industry, revenue is considered a more stable and reliable indicator of operating scale and market acceptance than earnings, which can be significantly affected by short-term cost fluctuations, one-off items, and accounting adjustments.

We understand from the Valuer that the Valuer adopted the P/S multiple to calculate the market value of the Target Company as the operating performance of companies in the restaurant industry is reliably reflected by revenue, which tends to be less susceptible to short-term cost fluctuations compared to earnings, and it directly reflects the scale of operations and market acceptance.

In addition to reviewing the P/S multiples set out in the Valuation Report, we have independently obtained data for the five Comparable Companies listed on the Stock Exchange from public sources (including but not limited to share prices which sourced from the Stock Exchange and financial data from the five Comparable Companies' latest published annual reports) as at 31 December 2025 (being the date of valuation of the Target Company). Based on our independent computation, the median of the P/S multiples of the five Comparable Companies was approximately 0.26 times as at 31 December 2025, which is consistent with the median adopted by the Valuer.

Notwithstanding that we concur with the Valuer that the P/S multiple is the appropriate primary valuation benchmark for the Target Company as discussed above, we have, as part of our independent work, further cross-checked the reasonableness of the Appraised Value by applying alternative trading multiples of the five Comparable Companies as at 31 December 2025, namely the enterprise value to earnings before interest, tax, depreciation and amortization ("**EBITDA**") multiple ("**EV/EBITDA**"). Enterprise value has been computed as market capitalisation or equity value plus total interest-bearing debts (including bank borrowings, convertible bonds and lease liabilities) less cash and cash equivalents (including bank deposits under current assets, restricted or pledged bank balances and cash, cash and cash equivalent) and EBITDA has been computed as the profit or loss before income tax expenses plus depreciation, amortization and finance costs less finance income, based on the annual reports and closing share prices of each of the Comparable Companies as at 31 December 2025.

Based on our independent computation, the EV/EBITDA multiples of the five Comparable Companies as at 31 December 2025 ranged from approximately 1.76 times to approximately 14.50 times, with a median of approximately 3.00 times. Applying the median EV/EBITDA multiple of approximately 3.00 times to the Target Company's EBITDA for the year ended 31 December 2025 of approximately HK$15.5 million (calculated as profit before taxation of approximately HK$6.0 million plus finance costs of approximately HK$0.5 million and depreciation of approximately HK$9.1 million), the enterprise value of the Target Company is approximately HK$46.6 million. Hence, the implied 100% equity value would be approximately HK$39.5 million (calculated as enterprise value of the Target Company minus total interest-bearing debts of approximately HK$14.1 million plus cash and cash equivalent of approximately HK$7.0 million), which is materially higher than the Appraised Value of approximately HK$7,590,000. Accordingly, the Consideration of HK$6.0 million for 51% of the equity interest of the Target Company is fair and reasonable so far as the Independent Shareholders are concerned.

Control premium

We understand from the Valuer that a controlling shareholder generally possesses the ability to direct the operations, strategic decisions and policies of a business, which typically commands a higher value than a minority interest. In calculating the value of the 51% equity interests in the Target Company, the Valuer has adopted a median control premium of 31.4% to reflect the higher marketability of a controlling interest as compared to a minority interest. We have independently reviewed the Mergerstat Control Premium Study published by FactSet Mergerstat, LLC., an independent information provider of merger and acquisition transaction data. We understand from the Valuer that they considered the Mergerstat Control Premium Study to be appropriate for the valuation of the Target Company as it provides market-based evidence derived from a broad sample of acquisition transactions and is commonly referenced in valuation practice for estimating control premiums where company-specific transaction data is not available. For our due diligence purpose, we have obtained such study from the Valuer and noted that the control premium of 31.4% represents the median of the equity control premiums of 614 domestic and international transactions for the 12 months up to the third quarter of 2025 based on the Mergerstat Control Premium Study.

Marketability discount

As advised by the Valuer, the marketability discount was the percentage difference between the private placement price per share and the market price per share. Compared to similar interests in public companies, ownership interest in closely-held companies are not readily marketable. As a result, the value of a share of stock in a privately-held company is usually less than an otherwise comparable share in a publicly-traded company. As the Comparable Companies are listed companies while the Target Company is a private company, the Valuer adopted a marketability discount of approximately 15.64% in determining the market value of the Target Company. For our due diligence purpose, we have obtained the Stout Restricted Stock Study 2025 published by Stout Risius Ross LLC from the Valuer and noted that the discount of approximately 15.64% was the median marketability discount for 782 transactions.

Impact on Target Company's performance after valuation date

We have discussed with the Valuer in respect of the basis for adopting the revenue of the Target Company for the year ended 31 December 2025 as the valuation base, notwithstanding the lower revenue and substantially lower net profit subsequently recorded by the Target Company for the three months ended

31 March 2026. We understand from the Valuer, and note from the Valuation Report, that the Valuer considers the use of revenue of FY2025 to remain appropriate on the basis that (i) revenue of FY2025 reflects the Target Company's operating performance over a full twelve-month period and captures demand patterns across the entire financial year, whereas the results for the three months ended 31 March 2026 represent only a limited post-valuation period and may be influenced by seasonal factors, short-term business fluctuations or other temporary circumstances; (ii) the three months ended 31 March 2026 financial results post-date the date of valuation (i.e., 31 December 2025) and the Valuer did not consider the post-valuation-date performance of the Target Company, as such information was not available at the time the valuation was performed, as the Valuer conducts the valuation as at a specific date and reflects facts and circumstances existing at that date; and (iii) having reviewed the Target Company's post-valuation performance, the Valuer does not consider the three months ended 31 March 2026 financial results to indicate a material adverse change in the Target Company's business prospects that would undermine the reasonableness of using revenue of FY2025 as the valuation base.

We further understand from the Valuer that the decline in the Target Company's profitability for the three months ended 31 March 2026 was primarily attributable to one-off items incurred after the date of valuation (i.e., 31 December 2025) that do not reflect the underlying operating performance of the Target Company, including one-off staff expenses. Accordingly, the Valuer does not consider the three months ended 31 March 2026 results to indicate a material adverse change in the Target Company's underlying business prospects that would have affected the valuation as at 31 December 2025, and takes the view that the revenue of FY2025 remains appropriate indicators of the Target Company's ongoing business performance.

Having considered the above and noted the Target Company's recovery in profitability during the three months from April to June 2026 as disclosed in the Board Letter, we concur with the Valuer's view that it is appropriate to use the revenue of FY2025 for the valuation of the Target Company as at 31 December 2025.

Based on our review of the Valuation Report and our discussion with the Valuer regarding, among other things, the scope of work, the qualification, experience and independence of the Valuer, the assumptions adopted by the Valuer, the reasons for adopting the market-based approach in the valuation of the Target Company, and the valuation work and adjustments performed by the Valuer, we concur with the view of the Directors that the terms of the Sale and Purchase Agreement and the Consideration are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

Details of the Valuation Report are set out in Appendix V to the Circular.

G. The Promissory Note

Subject to the terms and conditions of the Sale and Purchase Agreement, the Company shall issue the Promissory Note to the Vendor for settlement of the Consideration upon Completion. The principal terms and conditions of the Promissory Note are as follows:

Issuer:	The Company
Noteholder:	The Vendor
Principal amount:	HK$6,000,000
Interest:	Nil
Maturity date:	The day falling on the first anniversary of the date of issuance of the Promissory Note and if that day is not a Business Day, the next Business Day
Transferability:	The Promissory Note is non-transferable and non-assignable by the Vendor except with the prior written consent of the Company
Early Redemption:	The Company may redeem all or part of the outstanding principal of the Promissory Note at any time prior to its maturity, by giving the Vendor not less than ten (10) Business Days' prior written notice

Having discussed with the Management, we concur with the Directors that settlement of the Consideration by way of an interest-free Promissory Note, rather than by an immediate cash payment, would avoid an immediate cash outflow and preserve the Group's working capital and liquidity. In light of the above, we consider that the issue of the Promissory Note is fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

Repayment of the Promissory Note

As disclosed in the Board Letter, the Company intends to fund the repayment of the Promissory Note at maturity from a combination of (i) the additional operating cash flows expected to be generated by the Target Company following Completion; (ii) the continuing financial support from Mr. Hung, the chairman, executive Director and substantial Shareholder of the Company, who has confirmed his intention to continue to provide financial support to the Group as and when necessary to enable the Group to meet its liabilities and financial obligations as they fall due; and (iii) appropriate fund-raising activities to be considered by the Board following the resumption of trading in the Shares, subject to prevailing market conditions, the Group's funding requirements and compliance with the Listing Rules.

Having regard to (i) the immaterial principal amount of the Promissory Note of HK$6.0 million relative to the size of the Group; (ii) the twelve-month tenor of the Promissory Note (with early redemption at the Company's option), which provides the Company sufficient time to arrange for repayment; (iii) the interest-free nature of the Promissory Note, which imposes no ongoing debt-servicing burden on the Group during its tenor; (iv) the expected operating cash flow contribution from the Target Company; (v) the confirmed financial support from Mr. Hung; and (vi) the Board's intention to consider fund-raising activities following the resumption of trading, we concur with the Directors that the repayment of the Promissory Note, and any delay therein, is not expected to have a material adverse impact on the operations or financial position of the Group.

H. Financial effects of the Acquisition

Upon Completion, the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the accounts of the Target Company will be consolidated into the accounts of the Company. Please refer to Appendix IV to the Circular for more information on the basis of preparation of the unaudited pro forma financial information of the Enlarged Group. The pro forma financial information of the Enlarged Group has been prepared based on the judgments and assumptions of the Directors for illustrative purposes only.

Earnings or losses

Upon Completion, the financial results of the Target Company will be consolidated into the financial statements of the Group. For the year ended 31 December 2025, the Target Company recorded net profit after taxation of approximately HK$4.7 million. Accordingly, before taking into account any transaction costs, fair value adjustments, amortisation, impairment or other accounting adjustments which may arise from the Acquisition, the Directors expect that the Acquisition will have a positive contribution to the earnings of the Group.

Assets and Liabilities

Based on the unaudited pro forma consolidated statement of financial position of the Enlarged Group as set out in Appendix IV to this circular, which has been prepared as if the Acquisition had been completed on 30 June 2024 for illustrative purposes, the total assets of the Group would increase from approximately RMB68.1 million to approximately RMB91.6 million, and the total liabilities of the Group would increase from approximately RMB239.3 million to approximately RMB261.3 million.

As the increase in total assets would be higher than the increase in total liabilities, the net liabilities position of the Group would improve from approximately RMB171.2 million to approximately RMB169.7 million.

As disclosed in the Accountants' Report on the Target Company set out in Appendix II to this Circular, the Target Company recorded net current liabilities of approximately HK$8.8 million, HK$11.6 million, HK$3.9 million and HK$7.3 million as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 March 2026, respectively. The cash and cash equivalents of the Target Company increased from approximately HK$0.9 million as at 31 December 2023 to approximately HK$7.0 million as at 31 December 2025, and subsequently decreased to approximately HK$3.8 million as at 31 March 2026. We note from the Accountants' Report on the Target Company set out in Appendix II to this Circular, the increase in net current liabilities and the decrease in cash and cash equivalents from 31 December 2025 to 31 March 2026 were mainly attributable to a one-off dividend payment of approximately HK$4.0 million made by the Target Company during that period. The Target Company had no bank borrowings as at each of the aforesaid dates.

In assessing the financial impact of the Target Company's net current liabilities position on the Enlarged Group upon Completion, we have taken into account the following factors:

(i) Trend of the Target Company's net current liabilities: during the two years ended 31 December 2025, the Target Company's net current liabilities decreased significantly from approximately HK$11.6 million as at 31 December 2024 to approximately HK$3.9 million as at 31 December 2025 (representing a decrease of approximately 66.4%), reflecting a strengthening of the Target Company's working capital position over that period. The subsequent increase in net current liabilities to approximately HK$7.3 million as at 31 March 2026 was, as noted above, mainly attributable to the one-off dividend payment of approximately HK$4.0 million made by the Target Company during the three months ended 31 March 2026, rather than any deterioration in the Target Company's underlying operating performance;

(ii) Composition of the Target Company's net current liabilities: as disclosed in the Board Letter and the Accountants' Report on the Target Company set out in Appendix II to this Circular, the Target Company's net current liabilities position as at 31 March 2026 was mainly attributable to (a) the current portion of lease liabilities recognised under IFRS 16 in respect of its restaurant premises of approximately 6.1 million, which represent recurring operating expenses incurred in the ordinary course of the Target Company's business and have been taken into account in the working capital forecast of the Enlarged Group as discussed in the Board Letter; and (b) the amount due to Ms. Hung of approximately HK$3.0 million as at 31 March 2026 (which had decreased from approximately HK$7.0 million as at 31 December 2024), which was unsecured, non-interest-bearing and repayable on demand, and amount due to Ms. Hung has been repaid by the Target Company on 29 April 2026;

(iii) Settlement of the Consideration: the Consideration of HK$6,000,000 will be settled by the issue of the interest-free Promissory Note by the Company at Completion and will not result in any immediate cash outflow by the Group; and

(iv) Effect on the Enlarged Group's pro forma financial position: as illustrated in the unaudited pro forma consolidated statement of financial position of the Enlarged Group set out in Appendix IV to this Circular, upon Completion the net liabilities position of the Group would improve from approximately RMB171.2 million to approximately RMB169.7 million, indicating that consolidation of the Target Company (including its net current liabilities) would, on a pro forma basis, improve the overall net liabilities position of the Group.

Having considered (i) the underlying improving trend and composition of the Target Company's net current liabilities (with the increase in net current liabilities as at 31 March 2026 being attributable to a one-off dividend payment); (ii) the recurring operating nature of the current portion of lease liabilities and the repayment of amount due to Ms. Hung on 29 April 2026; (iii) the absence of any immediate cash outflow arising from the settlement of the Consideration by way of the interest-free Promissory Note; and (iv) the improvement in the pro forma net liabilities position of the Enlarged Group, we concur with the Directors that the Target Company's net current liabilities position is manageable and is not expected to have any material adverse impact on the operations, liquidity or financial position of the Enlarged Group following Completion.

It is noted that the above analyses are for illustrative purpose only and do not purport to represent how the financial performance and position of the Group would be after Completion.

RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, we are of the opinion that, although the Acquisition is not in the ordinary and usual course of business of the Group (taking into account that the Target Company operates Thai-style hotpot restaurants in Hong Kong, whereas the Group operates Chinese-style hotpot restaurants in the PRC), the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note, are (i) on normal commercial terms or better; (ii) fair and reasonable so far as the Independent Shareholders are concerned; and (iii) 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 resolution(s) to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Promissory Note.

Yours faithfully,
For and on behalf of
Aurelius Corporate Finance Limited
Sumwing Shum
Managing Director

Mr. Sumwing Shum is licensed under the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity and is currently a responsible officer and sponsor principal of Aurelius Corporate Finance Limited. Mr. Shum has over 11 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the years ended 31 December 2021, 2022, and 2023, as well as for the six months ended 30 June 2024 are disclosed in the Company's annual reports for the years ended 31 December 2021, 2022, and 2023, as well as the interim report for the six months ended 30 June 2024. All of these financial statements have been published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at https://www.cre8ir.com/zh/01007.html.

(i) the financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 from pages 84 to 207;

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800812.pdf

(ii) the financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 from pages 94 to 219;

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800313.pdf

(iii) the financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 from pages 98 to 211; and

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900769.pdf

(iv) the financial information of the Group for the six months ended 30 June 2024 is disclosed in the interim report of the Company for the six months ended 30 June 2024 from pages 4 to 38.

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700709.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained in this indebtedness statement, the Enlarged Group had the following indebtedness:

	The Group	The Target Group	The Enlarged Group
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings	—	—	—
Loans from related parties (unsecured)	1,444	—	1,444
Loans from independent third parties (unsecured)	6,500	—	6,500
Amount due to a director	39,757	—	39,757
Other borrowings	—	—	—
Total	**47,701**	**—**	**47,701**

Save as disclosed above and normal trade payables during the ordinary course of business, the Enlarged Group did not, at the close of business on 30 June 2026, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, borrowings or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than inter-group liabilities and normal trade payables), acceptance credits, or any guarantees or other contingent liabilities.

3. WORKING CAPITAL SUFFICIENCY OF THE ENLARGED GROUP

The Directors, after due and careful enquiry and taking into account (i) the internal financial resources available to the Group; (ii) the operating cash flows expected to be generated by the Target Company following Completion; (iii) the financial support undertaking provided by Mr. Hung, the substantial Shareholder, chairman and executive Director of the Company; and (iv) the potential fund-raising activities which the Board may consider conducting following the resumption of trading in the Shares, are of the opinion that, the working capital available to the Enlarged Group will be sufficient for the Enlarged Group's requirements for at least 12 months from the date of publication of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Company for the six months ended 30 June 2024, the Group experienced a considerable decline in revenue and an increase in losses as a result of the challenging operating environment of the hotpot business, reduced customer traffic and the decrease in the number of restaurants of the Group. Such adverse trend continued during the years ended 31 December 2024 and 2025. Based on the preliminary review of the unaudited consolidated management accounts of the Group for the years ended 31 December 2024 and 31 December 2025 (which have not been audited or reviewed by the Company's auditor), the Group's revenue is expected to decrease by over 30% from approximately RMB82.3 million recorded for the year ended 31 December 2023, and the Group's revenue for the year ended 31 December 2025 is expected to further decrease by over 30% as compared to the year ended 31 December 2024. The expected decrease in revenue was mainly attributable to the challenging operating environment of the hotpot restaurant business, the reduction in customer traffic and the decrease in the number of restaurants following the Group's rationalisation of underperforming restaurants. The number of restaurants operated by the Group decreased from nine as at 31 December 2023 to four as at the Latest Practicable Date. Based on the currently available information, the Group is expected to continue to record losses attributable to owners of the Company for the years ended 31 December 2024 and 2025. Further details of the Group's financial information for the years ended 31 December 2024 and 2025 will be disclosed in the forthcoming annual results announcements of the Company.

Save as disclosed above, the Directors confirm that there was no material adverse change in the financial position or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in the hotpot restaurant business in the PRC under the brands of Faigo ("**輝哥**") and Xiao Faigo Hotpot ("**小輝哥火鍋**"), targeting mainly high-income customers and middle-income customers, respectively. The Group specialises in seafood hotpot cuisine with a signature menu characterised by aromatic soup bases and a wide selection of seafood and beef.

The Group's existing hotpot restaurant business has faced a challenging operating environment in recent years, including weakened consumer sentiment, reduced customer traffic, changes in dining habits, intense market competition and continued pressure on operating costs.

During the year ended 31 December 2024, the Group closed two underperforming restaurants in response to the unfavourable operating environment and the unsatisfactory performance of the relevant restaurants. Such closures formed part of the Group's ongoing efforts to optimise its restaurant portfolio and reallocate resources to locations with stronger operating potential. As a result, the number of restaurants operated by the Group decreased from nine as at 31 December 2023 to seven as at 31 December 2024. Subsequent to 31 December 2024 and up to the Latest Practicable Date, the Group ceased the operation of a further three restaurants due to their continued unsatisfactory operating performance/the expiry of their tenancy agreements and the Directors' assessment that renewal would not be commercially viable. Such measures are expected to enable the Group to adopt a more focused operating strategy and enhance the overall efficiency of its restaurant network. Accordingly, the Group operated four hotpot restaurants as at the Latest Practicable Date.

Based on the audited consolidated financial statements of the Group, the Group's revenue decreased by approximately 33.7% from approximately RMB82.3 million for the year ended 31 December 2023 to approximately RMB54.6 million for the year ended 31 December 2024. Of the Group's revenue for 2024, approximately RMB40.1 million was attributable to restaurants operated under the Faigo brand and approximately RMB14.5 million was attributable to restaurants operated under the Xiao Faigo Hotpot brand. The Group recorded an operating loss of approximately RMB17.4 million and a loss attributable to owners of the Company of approximately RMB20.8 million for the year ended 31 December 2024, as compared with approximately RMB14.4 million for the preceding year.

The decrease in revenue was mainly attributable to the reduction in customer traffic caused by the challenging operating environment and the decrease in the number of restaurants as a result of the Group's strategic rationalisation of underperforming outlets, which reduced the scale of operations but was intended to improve the quality and sustainability of the Group's restaurant portfolio. During 2024, the average number of customers per day per Xiao Faigo Hotpot restaurant decreased from 93 to 75, while the average seat turnover rate decreased from 1.0 time to 0.7 time. The average daily revenue per restaurant also decreased from approximately RMB10,263 to approximately RMB8,492. Despite the decline in customer traffic, the average spending per customer increased from approximately RMB110 to approximately RMB114.

For restaurants operated under the Faigo brand, the average number of customers per day per restaurant decreased from 48 in 2023 to 39 in 2024, while the average seat turnover rate decreased from 0.4 time to 0.3 time. The average daily revenue per restaurant decreased from approximately RMB38,363 to approximately RMB31,069, while the average spending per customer decreased slightly from approximately RMB806 to approximately RMB794. The Directors consider that the relatively stable spending per customer demonstrates the continued appeal of the Group's dining offerings notwithstanding the challenging market conditions.

Looking ahead, taking into account the economic conditions and consumer market environment in the PRC, the Directors expect that the operating environment of the Group's hotpot restaurant business will gradually improve and anticipate that customer traffic, seat turnover rates and average spending will progressively recover as consumer sentiment improves. At the same time, the Group will continue to implement cost-saving measures and productivity enhancement initiatives with a view to improving the operating performance and efficiency of its restaurant network.

The Group remains committed to maintaining a refined and comfortable dining environment, providing attentive customer service and sourcing fresh and high-quality ingredients. The Directors consider that these measures are important for maintaining the Group's existing customer base, particularly its high-income customers, attracting new customers and preserving the revenue-generating capability of the Group's restaurant network.

In addition, the Group will continue to enhance its food ingredients and flavour offerings. Given the adaptability of the hotpot dining format, the Group intends to introduce new ingredients, soup bases, flavours and seasonal menu offerings from time to time in response to evolving consumer preferences. The Directors believe that the continuous enhancement and diversification of its menu offerings will help maintain customer interest, enhance the overall dining experience and strengthen the market positioning of the Group's restaurant brands.

Following the rationalisation of its restaurant network, the Group will focus its resources on improving the operating performance of its four remaining restaurants. The Group will continue to monitor market conditions and the performance of its restaurants and adopt appropriate measures, including menu optimisation, targeted marketing and promotional activities, enhancement of customer service, cost control and productivity improvement, with a view to strengthening the sustainability and profitability of its existing restaurant business.

More specifically, as at the Latest Practicable Date, the Group is considering various initiatives in relation to its existing hotpot restaurant business and future business development with a view to broadening its customer base and developing additional revenue streams, including (i) exploring the opening of a new hotpot restaurant in Hong Kong, particularly on Hong Kong Island; (ii) actively liaising with potential business partners regarding the potential franchising of the Faigo brand in Hangzhou; (iii) considering transforming the business model of Xiao Faigo Hotpot into a buffet-style hotpot model in response to prevailing consumer preferences in the PRC; (iv) introducing business lunch offerings to attract new customers and increase customer traffic during non-peak hours; and (v) leveraging the Group's existing hotpot food supply chain and sourcing capabilities to explore the feasibility of exporting frozen food products to overseas markets, with a view to developing additional revenue streams for the Group.

Against this background, and having regard to the Group's experience in hotpot restaurant operations, the Acquisition is expected to support the Group's business development by broadening its business and income base. The Target Company operates two Thai hotpot restaurants in Hong Kong under the brand "Fall in Thai" ("**四面泰**"), both of which are located in shopping malls. Upon Completion, the Group intends to further expand the Target Company's restaurant network by opening one to two additional "Fall in Thai" restaurants in Hong Kong, with a particular focus on suitable locations on Hong Kong Island, with the opening of the first additional restaurant currently expected by the end of 2026 and, subject to the availability of suitable premises and prevailing market conditions, the second additional restaurant during the first half of 2027. The Group will also consider opportunities to cooperate with suitable local business partners in overseas markets to introduce the "Fall in Thai" brand to other countries. The Target Company's business is similar to the Group's existing business in terms of restaurant operation and hotpot concept. Given that Thai hotpot is a relatively niche and less common format in the Hong Kong hotpot market, the Acquisition provides the Group with an opportunity to explore a new form of hotpot business and enter the Hong Kong catering market without developing a new brand, restaurant network and customer base from scratch. In addition, according to the Hong Kong Tourism Board, provisional full-year visitor arrivals to Hong

Kong reached approximately 49.9 million in 2025, representing a year-on-year increase of approximately 12%. The Census and Statistics Department also reported that the value of total restaurant receipts in Hong Kong was provisionally estimated at approximately HK$109.6 billion for 2025. In view of the recovery in visitor arrivals and the sizeable restaurant market in Hong Kong, the shopping mall locations of the Target Company's two restaurants are expected to provide exposure to both local consumers and visitors, thereby assisting the Group in expanding its customer base and tapping into the tourism-related catering market in Hong Kong.

Leveraging the Group's existing experience in hotpot restaurant operations, the Group may create potential operational synergies by applying its know-how in procurement, supply chain management, menu development, restaurant management, staff training, quality control and cost control to the Target Company. At the same time, the Target Company's differentiated Thai hotpot concept may enrich the Group's brand portfolio, broaden its product offerings and expand its geographical footprint beyond the PRC. Accordingly, the Acquisition is considered to be in line with the Group's existing business strategy and would support the long-term development of the Group.

The following is text of a report set out on pages II-1 to II-36, received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF GO FORWARD CORPORATION LIMITED TO THE DIRECTORS OF LONGHUI INTERNATIONAL HOLDINGS LIMITED

Introduction

We report on the historical financial information of Go Forward Corporation Limited (the "**Target Company**") set out on pages II-4 to II-36, which comprises the statements of financial position of the Target Company as at 31 December 2023, 2024 and 2025 and 31 March 2026, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of the Target Company for each of the period/years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-36 forms an integral part of this report, which has been prepared for inclusion in the circular of Longhui International Holdings Limited (the "**Company**") dated 25 August 2026 (the "**Circular**") in connection with the proposed acquisition of 51% equity interests in the Target Company.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The financial statements of the Target Company for the Relevant Periods ("**Underlying Financial Statements**"), on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information which conform with IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong

Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and of its financial performance and its statement of cash flows for the Relevant Periods in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Target Company which comprises the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the three months ended 31 March 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company and the Target Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

Dividends

We refer to Note 10 to the Historical Financial Information which states that a dividend of HKD4,000,000 has been declared and paid by the Target Company in respect of the Relevant Periods.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong
25 August 2026

HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Underlying Financial Statements, on which the Historical Financial Information is based, were audited by Rongcheng (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HKD**") and all values are rounded to the nearest thousand (HKD'000) except when otherwise indicated.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Period/Year ended 31 December			For the three months ended 31 March	
		2023	**2024**	**2025**	**2025**	**2026**
	Notes	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
		(Note 1)			*(Unaudited)*	
Revenue	6	4,802	36,089	51,278	12,927	10,478
Cost of sales		(1,363)	(8,823)	(13,040)	(2,997)	(2,661)
Gross profit		3,439	27,266	38,238	9,930	7,817
Other income		—*	12	82	33	1
Selling and distribution expenses		(209)	(641)	(380)	(113)	(114)
Operating expenses		(4,555)	(22,947)	(31,462)	(7,721)	(7,514)
Finance costs	7	(170)	(463)	(512)	(130)	(91)
(Loss)/profit before taxation	8	(1,495)	3,227	5,966	1,999	99
Income tax expense	11	—	(128)	(1,309)	(236)	(48)
(Loss)/profit and total comprehensive (expense) income for the period/year		(1,495)	3,099	4,657	1,763	51

* Less than HK$1 thousand

STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 March
		2023	2024	2025	2026
	Notes	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Non-current assets					
Property and equipment	12	4,361	8,031	4,447	3,538
Right-of-use assets	13	12,199	17,678	12,241	10,975
Prepayments and deposits	16	1,626	2,585	2,585	2,585
		18,186	28,294	19,273	17,098
Current assets					
Inventories	14	253	647	487	278
Trade receivables	15	284	293	394	402
Prepayments and deposits	16	259	783	750	679
Cash and cash equivalents	17	878	1,768	6,960	3,822
		1,674	3,491	8,591	5,181
Current liabilities					
Trade payables	18	378	906	905	772
Accruals	19	285	1,747	1,192	986
Amount due to a director	20	6,745	6,965	3,001	3,091
Tax payables		—	128	1,437	1,485
Lease liabilities	13	3,104	5,367	5,964	6,114
		10,512	15,113	12,499	12,448
Net current liabilities		(8,838)	(11,622)	(3,908)	(7,267)
Total assets less current liabilities		9,348	16,672	15,365	9,831
Non-current liability					
Lease liabilities	13	9,843	14,068	8,104	6,519
Net (liabilities) assets		(495)	2,604	7,261	3,312
Equity					
Share capital	21	1,000	1,000	1,000	1,000
(Accumulated losses)/ retained profits		(1,495)	1,604	6,261	2,312
		(495)	2,604	7,261	3,312

STATEMENTS OF CHANGES IN EQUITY

	Share capital	(Accumulated losses)/ retained profits	Total
	HKD'000	*HKD'000*	*HKD'000*
At 14 October 2022 (date of incorporation)	—	—	—
Issue of share capital	1,000	—	1,000
Loss and total comprehensive expense for the period	—	(1,495)	(1,495)
At 31 December 2023 and 1 January 2024	1,000	(1,495)	(495)
Profit and total comprehensive income for the year	—	3,099	3,099
At 31 December 2024 and 1 January 2025	1,000	1,604	2,604
Profit and total comprehensive income for the year	—	4,657	4,657
At 31 December 2025 and 1 January 2026	1,000	6,261	7,261
Profit and total comprehensive income for the period	—	51	51
Dividend paid to equity holders of the Target Company	—	(4,000)	(4,000)
At 31 March 2026	1,000	2,312	3,312

	Share capital	Retained profits	Total
	HKD'000	*HKD'000*	*HKD'000*
At 1 January 2025	1,000	1,604	2,604
Profit and total comprehensive income for the period (unaudited)	—	1,763	1,763
At 31 March 2025 (unaudited)	1,000	3,367	4,367

STATEMENTS OF CASH FLOWS

		Period/Year ended 31 December			For the three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
					(Unaudited)	
Operating activities						
(Loss) profit before taxation		(1,495)	3,227	5,966	1,999	99
Adjustments for:						
Depreciation of property and equipment	8	397	2,446	3,631	1,041	909
Depreciation of right-of-use assets	8	1,418	4,683	5,437	1,266	1,266
Finance costs	7	170	463	512	130	91
Interest income		—	(3)	(1)	—	—
Operating cash flows before movements in working capital		490	10,816	15,545	4,436	2,365
(Increase)/decrease in inventories		(253)	(394)	160	(185)	209
(Increase)/decrease in trade receivables		(284)	(9)	(101)	123	(8)
(Increase)/decrease in prepayment, deposits and other receivables		(1,884)	(1,483)	33	(265)	71
Increase/(decrease) in amount due to a director		6,745	220	(3,964)	(820)	90
Increase/(decrease) in trade payables		378	528	(1)	(118)	(133)
Increase/(decrease) in accruals		284	1,462	(555)	(509)	(206)
Cash generated from operations		5,476	11,140	11,117	2,662	2,388
Income tax paid		—	—	—	—	—
Net cash generated from operating activities		5,476	11,140	11,117	2,662	2,388
Investing activities						
Purchases of property and equipment		(4,758)	(6,116)	(47)	—	—
Interest received		—	3	1	—	—
Net cash used in investing activities		(4,758)	(6,113)	(46)	—	—

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
				(Unaudited)	
Financing activities					
Issue of share capital	1,000	—	—	—	—
Interests paid	(170)	(463)	(512)	(130)	(91)
Repayment of lease liabilities	(670)	(3,674)	(5,367)	(1,291)	(1,435)
Dividend paid	—	—	—	—	(4,000)
Net cash generated from/(used in) financing activities	160	(4,137)	(5,879)	(1,421)	(5,526)
Net increase/(decrease) in cash and cash equivalents	878	890	5,192	1,241	(3,138)
Cash and cash equivalents at the beginning of the period/year	—	878	1,768	1,768	6,960
Cash and cash equivalents at the end of period/year representing bank and cash balances	878	1,768	6,960	3,009	3,822

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Go Forward Corporation Limited (the "**Target Company**") was incorporated in Hong Kong on 14 October 2022 as a limited company. The registered office and principal place of operation of the Target Company is located at 6/F, Queen's Road Centre, 152 Queen's Road Central, Central, Hong Kong.

The Target Company was involved in restaurant operation in Hong Kong during the Relevant Periods.

Before the completion of the Acquisition defined below, the Target Company was 51% held by Heshun Holdings Company Limited (the "**Vendor**") and 49% held by Ms. Hung Tsz Ching who is the daughter of Mr. Hung Shui Chak, a chairman, executive director and controlling shareholder of the Company (defined below), respectively.

On 29 April 2026, Team Pacific Holdings Limited (the "**Purchaser**"), a company established in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Longhui International Holdings Limited (the "**Company**"), the Company and the Vendor entered into a sale and purchase agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, 51% equity interests in the Target Company at a consideration of HK$6,000,000, which shall be settled by the issue of zero-coupon promissory note in the principal amount of HK$6,000,000 by the Company (the "**Acquisition**"). The Acquisition is subject to the approval of the independent shareholders at the Company's extraordinary general meeting and upon the completion of the Acquisition, the Target Company will become an indirect non-wholly owned subsidiary of the Company.

The Historical Financial Information of the Target Company for the period ended 31 December 2023 consists of the period from the date of incorporation (i.e. 14 October 2022) to 31 December 2023.

These financial statements are presented in Hong Kong dollars ("**HKD**"), which is the functional currency of the Company, and all values are rounded to the nearest thousand (HKD'000) except when otherwise indicated.

2. BASIS OF PREPARATION

The Historical Financial Information of the Target Company has been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently applied by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Periods and the three months ended 31 March 2025 ("**Reporting Periods**").

The Historical Financial Information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern assessment

The directors of the Target Company have a reasonable expectation that the Target Company has adequate resources including operating cash flows and financial supports from the director, to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements of the Target Company.

3. NEW AND REVISED IFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE:

At the date of this report, the Target Company has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures[2]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Target Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the Target Company's financial statements in the foreseeable future.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (the title of which will be changed to Basis of Preparation of Financial Statements upon effective IFRS18) and IFRS 7 Financial Instruments: Disclosures. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Target Company in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statement of profit or loss and disclosures in the future financial statements which, the directors of the Target Company anticipate, the impact will not be material.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Revenue from contracts with customers

The Target Company generates revenue from restaurant operation.

Revenue is measured at the fair value of consideration received or receivable.

The Target Company recognizes revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligations by transferring the promised goods or services to its customers.

The revenue is recognised at a point in time when the related catering services have been rendered to the customers. Payment of the transaction price is due immediate after dining.

Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the Reporting Periods in which they are incurred. Depreciation on property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	3 years (shorter of remaining term of the lease and the estimated useful lives of assets)
Equipment	3 years
Fixture & furniture	3 years

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment of tangible assets

At the end of each Reporting Periods, the Target Company reviews the carrying amounts of its tangible asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Target Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Target Company compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverse, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified after the date of initial application, the Target Company assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Target Company as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Target Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Target Company applies the short-term lease recognition exemption to leases of shops, office and warehouse that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Target Company; and
- an estimate of costs to be incurred by the Target Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Target Company is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Target Company presents right-of-use assets as a separate line item on the statement of financial position.

Lease liabilities

At the commencement date of a lease, the Target Company recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Target Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the Target Company under residual value guarantees;
- the exercise price of a purchase option if the Target Company is reasonably certain to exercise the option;
- payments of penalties for terminating a lease, if the lease term reflects the Target Company exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Target Company remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; and
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Target Company presents lease liabilities as a separate line item on the statement of financial position.

Lease modifications

The Company accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Target Company remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Target Company accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Target Company allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Current and deferred tax

Tax expense comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the jurisdictions where the Target Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on temporary differences, except where the timing of the reversal of the temporary difference is controlled by the Target Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences are recognised only to the extent that it is probable the temporary difference will reverse in the foreseeable future and there is sufficient taxable profit available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Target Company must incur to make the sale.

Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

Defined contribution plans

The Target Company participates in a mandatory provident fund scheme (the "MPF scheme"), which is a defined contribution scheme, for its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Target Company in an independent administered fund.

Both the Target Company and the employees are required to contribute 5% of the employee's relevant income, subject to a maximum of HK$1,500 per employee per month. The Target Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due and prepaid contributions are recognised as an asset to the extent that a cash refund is available.

Provisions

Provisions are recognised when the Target Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Dividend distribution

Dividend distribution to the Target Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Target Company's shareholders or directors, where appropriate.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Target Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Related parties transactions

A party is considered to be related to the Target Company if:

(a) A person or a close member of that person's family is related to the Target Group if that person:

  (i) has control or joint control over the Target Company;

  (ii) has significant influence over the Target Company; or

  (iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

(b) An entity is related to the Target Company if any of the following conditions applies:

  (i) the entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company. If the Target Company is itself such a plan, the sponsoring employees are also related to the Target Company;

(vi) the entity is controlled or jointly controlled by a person identified in note (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Company or to the parent of the Target Company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Target Company and a related party, regardless of whether a price is charged.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with *IFRS 15*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Target Company performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits and other receivables, and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Target Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; or

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Company has reasonable and supportable information that demonstrates otherwise.

The Target Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Company, in full (without taking into account any collaterals held by the Target Company).

Irrespective of the above, the Target Company considers that default has occurred when a financial asset is more than 90 days past due unless the Target Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Target Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivable, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Target Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Target Company recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Target Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade payables, lease liabilities and amount due to a director are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Target Company's accounting policies, which are described in Note 4, the directors of the Target Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Target Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment assessment on property and equipment and right-of-use assets

Property and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Target Company has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Target Company estimates the recoverable amount of the cash-generating units to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

6. REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Revenue represents the sales value of goods supplied to customers (net of discounts). Disaggregation of revenue from contracts with customers by major product lines is as follows:

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000* *(Unaudited)*	*HKD'000*
Revenue from contracts with customers within the scope of IFRS 15					
Disaggregated by major product line					
— Thai hotpot business	4,802	36,089	51,278	12,927	10,478

The timing of revenue recognition is at a point in time.

(b) Segment reporting

IFRS 8 "Operating Segments" requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Target Company's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Target Company has determined that it only has one operating segment which is operations of Thai hotpot business in Hong Kong.

7. FINANCE COSTS

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000* *(Unaudited)*	*HKD'000*
Interest expense on lease liabilities	170	463	512	130	91

8. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived after charging/crediting:

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000* *(Unaudited)*	*HKD'000*
Staff costs (including director's emolument)					
Salaries, wages and other benefits	1,566	8,756	12,819	3,180	2,929
Defined contribution benefits	39	279	402	110	88
Auditor's remuneration	35	35	35	9	9
Depreciation of property and equipment	397	2,446	3,631	1,041	909
Depreciation of right-of-use assets	1,418	4,683	5,437	1,266	1,266
Interest income	—	(3)	(1)	—	—

9. DIRECTOR'S EMOLUMENTS

The emoluments paid or payable to director of the Target Company during the Reporting Periods are as follows:

	Period ended 31 December 2023			
	Fees	**Salary, allowances and other benefits**	**Contributions to retirement benefits scheme**	**Total**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Hung Tsz Ching	—	—	—	—
	—	—	—	—

	Year ended 31 December 2024			
	Fees	Salary, allowances and other benefits	Contributions to retirement benefits scheme	Total
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Hung Tsz Ching	345	—	—	345
	345	—	—	345

	Year ended 31 December 2025			
	Fees	Salary, allowances and other benefits	Contributions to retirement benefits scheme	Total
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Hung Tsz Ching	465	—	—	465
	465	—	—	465

	For the three months ended 31 March 2026			
	Fee	Salary, allowances and other benefits	Contributions to retirement benefits scheme	Total
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Hung Tsz Ching	90	—	—	90
	90	—	—	90

	For the three months ended 31 March 2025 (unaudited)			
	Fee	Salary, allowances and other benefits	Contributions to retirement benefits scheme	Total
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Hung Tsz Ching	105	—	—	105
	105	—	—	105

10. DIVIDENDS

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	2024	2025	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
				(Unaudited)	
Dividend paid to equity holders of the Target Company	—	—	—	—	4,000

A final dividend in respect of the period ended 31 March 2026 of HKD4,000,000 (2025: HKD nil) has been declared and paid by the Target Company.

11. INCOME TAX EXPENSE

The Target Company is incorporated in Hong Kong and is subject to Hong Kong Profits Tax. Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department of Hong Kong, the Target Company's first HKD2,000,000 of assessable profits under Hong Kong profits tax is subject to a tax rate of 8.25%. The remaining assessable profits above HKD2,000,000 will continue to be subject to a tax rate of 16.5%. The income tax expense during the Reporting Periods are as follows:

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
				(Unaudited)	
Current tax — Hong Kong	—	128	1,309	236	48
Income tax expense	—	128	1,309	236	48

The income tax expense during the Reporting Periods can be reconciled to the (loss) profit before taxation per statements of profit or loss and other comprehensive income as follows:

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
				(Unaudited)	
(Loss)/profit before taxation	(1,495)	3,227	5,966	1,999	99
Tax on (loss)/profit before taxation at tax rate of 16.5%	(247)	532	984	330	16
Tax effect of income not taxable for tax purpose	—	(1)	—	—	—
Tax effect of non-deductible expenses	3	—	—	—	—
Tax effect of tax losses not recognised	410	—	—	—	—
Utilisation of tax losses previously not recognised	—	(410)	—	—	—
Tax effect of deductible temporary differences not recognised	(166)	134	490	71	40
Income tax at concessionary rate	—	(127)	(165)	(165)	(8)
Income tax expense	—	128	1,309	236	48

12. PROPERTY AND EQUIPMENT

	Leasehold improvements *HKD'000*	Equipments *HKD'000*	Fixture & Furniture *HKD'000*	Total *HKD'000*
COST				
At 14 October 2022 (date of incorporation)	—	—	—	—
Addition	3,514	693	551	4,758
At 31 December 2023 and 1 January 2024	3,514	693	551	4,758
Addition	4,233	850	1,033	6,116
At 31 December 2024 and 1 January 2025	7,747	1,543	1,584	10,874
Addition	—	47	—	47
At 31 December 2025, 1 January and 31 March 2026	7,747	1,590	1,584	10,921
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 14 October 2022 (date of incorporation)	—	—	—	—
Depreciation provided for the period	293	58	46	397
At 31 December 2023 and 1 January 2024	293	58	46	397
Depreciation provided for the year	1,786	343	317	2,446
At 31 December 2024 and 1 January 2025	2,079	401	363	2,843
Depreciation provided for the year	2,583	520	528	3,631
At 31 December 2025	4,662	921	891	6,474
Depreciation provided for the period	645	132	132	909
At 31 March 2026	5,307	1,053	1,023	7,383
NET CARRYING AMOUNTS				
At 31 March 2026	2,440	537	561	3,538
At 31 December 2025	3,085	669	693	4,447
At 31 December 2024	5,668	1,142	1,221	8,031
At 31 December 2023	3,221	635	505	4,361

13. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

	Shops
	HKD'000
COST	
At 14 October 2022 (date of incorporation)	—
Addition	13,617
At 31 December 2023 and 1 January 2024	13,617
Addition	10,162
At 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 31 March 2026	23,779
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 14 October 2022 (date of incorporation)	—
Depreciation	1,418
At 31 December 2023 and 1 January 2024	1,418
Depreciation	4,683
At 31 December 2024 and 1 January 2025	6,101
Depreciation	5,437
At 31 December 2025 and 1 January 2026	11,538
Depreciation	1,266
At 31 March 2026	12,804
NET CARRYING AMOUNTS	
At 31 March 2026	10,975
At 31 December 2025	12,241
At 31 December 2024	17,678
At 31 December 2023	12,199

The analysis of expense items in relation to leases recognised in profit or loss during the Reporting Periods is as follows:

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000* (*Unaudited*)	*HKD'000*
Depreciation expenses on right-of-use assets	1,418	4,683	5,437	1,266	1,266
Interest expense on lease liabilities (included in finance costs)	170	463	512	130	91
Total cash outflow for leases	840	4,137	5,879	1,421	1,526

The Target Company obtains right to control the use of various shops for a period of time through lease arrangements. Lease contracts are entered into for fixed term of 4 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Target Company applies the definition of a contract and determines the period for which the contract is enforceable.

Set out below are carrying amounts of lease liabilities recognised and movements during the Relevant Periods:

	Lease liabilities
	HKD'000
At 14 October 2022 (date of incorporation)	—
Addition	13,617
Accretion of interest	170
Payments	(840)
At 31 December 2023 and 1 January 2024	12,947
Addition	10,162
Accretion of interest	463
Payments	(4,137)
At 31 December 2024 and 1 January 2025	19,435
Addition	—
Accretion of interest	512
Payments	(5,879)
At 31 December 2025 and 1 January 2026	14,068
Addition	—
Accretion of interest	91
Payments	(1,526)
At 31 March 2026	12,633

	As at 31 December			**As at 31 March**
	2023	**2024**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Lease liabilities payable:				
Within one year	3,104	5,367	5,964	6,114
Within a period of more than one year but not exceeding two years	3,508	5,964	4,636	3,636
Within a period of more than two years but not exceeding five years	6,335	8,104	3,468	2,883
	12,947	19,435	14,068	12,633
Less: Amount due for settlement within 12 months shown under current liabilities	(3,104)	(5,367)	(5,964)	(6,114)

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Amount due for settlement after 12 months shown under non-current liabilities	9,843	14,068	8,104	6,519

The incremental borrowing rates applied to lease liabilities were 3.08% during the Relevant Periods.

14. INVENTORIES

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Food and beverages	253	647	487	278

15. TRADE RECEIVABLES

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Trade receivables	284	293	394	402

The following is an aged analysis of the trade receivables, net of allowance for expected credit losses presented based on the invoice dates:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
0 to 30 days	261	272	243	184
31 to 90 days	—	21	107	77
91 to 180 days	23	—	34	61
181 to 365 days	—	—	10	77
Over 365 days	—	—	—	3
	284	293	394	402

The director of the Target Company considers trade receivables mainly derived from customers' bills settlement with credit cards, WeChat Pay or Alipay, which are generally collectible within 1 month from sales date and without past due history.

No interest is charged on the trade receivables. The long aging balances are due from certain frequent credit sales customers and the management considers that these receivables are recoverable.

16. PREPAYMENTS AND DEPOSITS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Included in non-current assets:				
Rental deposits	1,626	2,585	2,585	2,585
Included in current assets:				
Prepayments *(Note)*	207	380	315	293
Other deposits	52	403	435	386
	259	783	750	679

Notes:

As at 31 December 2023, 2024 and 2025, and 31 March 2026 prepayments mainly include prepayments for POS system of approximately HKD151,000, HKD227,000, HKD138,000 and HKD168,000 respectively. The balances were non-trade in nature, interest-free, unsecured and no fixed term of repayment.

17. CASH AND CASH EQUIVALENTS

Bank balances carried interests at prevailing market interest rate.

18. TRADE PAYABLES

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Trade payables	378	906	905	772

The following is an aged analysis of trade payable based on invoice date are as below:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Within 3 months	378	906	905	772

The trade payable is non-interest-bearing and normal credit terms of 30 days.

19. ACCRUALS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Accrued expenses	285	1,747	1,192	986

Note:

As at 31 December 2023, 2024 and 2025, and 31 March 2026 included in accruals were mainly accrued salaries of approximately nil, HKD244,000, HKD830,000 and HKD859,000 respectively; and accrued renovation and construction of approximately HKD118,000, HKD100,000, HKD100,000 and HKD64,000 respectively.

20. AMOUNT DUE TO A DIRECTOR

The amount is due to a director of the Target Company, Ms. Hung Tsz Ching, and is unsecured, non-interest bearing and repayable on demand.

21. SHARE CAPITAL

	Number of shares '000	HKD'000
At 14 October 2022 (date of incorporation), 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025 and 31 March 2026	1,000	1,000

During the year ended 31 December 2023, 2024, 2025 and the period ended 31 March 2026, the capital of approximately HKD1,000,000 into the Target Company as the paid-up capital.

22. FINANCIAL RISK MANAGEMENT

a. Categories of financial instruments

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Financial assets at amortised costs				
Deposits	1,678	2,988	3,020	2,971
Trade receivables	284	293	394	402
Cash and cash equivalents	878	1,768	6,960	3,822
Financial liabilities at amortised costs				
Trade payables	378	906	905	772
Amount due to a director	6,745	6,965	3,001	3,091
Lease liabilities	12,947	19,435	14,068	12,633

b. Financial risk management objectives and policies

The Target Company's financial instruments include deposits, trade receivables, cash and cash equivalents, trade payables, lease liability and amount due to a director. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Target Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk management and impairment assessment

Credit risk refers to the risk that the Target Company's counterparties default on their contractual obligations resulting in financial losses to the Target Company. The Target Company's credit risk exposures are primarily attributable to other receivables and deposits, trade receivables and bank balances.

The Target Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its other financial assets. The Target Company performs impairment assessment for financial assets. Information about the Target Company's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, is summarised below.

Deposits

Management measured the expected credit loss of deposits by using 12m ECL, unless there has been a significant increase in credit risk since initial recognition.

Management has a credit policy in place where individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's background, past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to economic environment in which the customers operate.

With strict credit control and monitoring of exposures of other receivables and deposits to credit risks on an ongoing basis, management believe the Group's credit risk exposure to other receivables and deposits has been appropriately mitigated.

Trade receivables

Target Company applies simplified approach under HKFRS 9 to provide for ECL using lifetime expected loss provision for trade receivables. The management performs impairment assessment under ECL model on trade receivables with credit-impaired individually or based on collective assessment.

As at 31 March 2026, 31 December 2025, 31 December 2024 and 31 December 2023, all the trade receivables subject to ECL assessment were classified as low risk by the management pursuant to their assessment. The gross carrying amounts of these trade receivables are disclosed in note 15. No impairment loss was made during the period ended 31 March 2026 and the years ended 31 December 2025, 31 December 2024 and 31 December 2023.

Cash and cash equivalents

Credit risk on bank balances is limited because the counterparties are banks with good reputation and credit profile. The management of the Target Company considers that the credit risk of the amount has not increased significantly since initial recognition considering external credit ratings of the banks. As such, the Target Company assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the period ended 31 March 2026 and the years ended 31 December 2023, 2024 and 2025 as the ECL is assessed to be insignificant.

The tables below detail the credit risk exposures of the Target Company's financial assets which are subject to ECL assessment:

Financial assets at amortised cost	External credit rating	Internal credit rating	Lifetime or 12m ECL	Gross carrying amounts			
				As at 31 December			As at 31 March
				2023	2024	2025	2026
				HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
Trade receivables	N/A	Low risk	12m ECL	284	293	394	402
Deposits	N/A	Low risk	12m ECL	1,678	2,988	3,020	2,971
Cash and cash equivalents	Aa3	N/A	12m ECL	878	1,768	6,960	3,822

Liquidity risk management

In the management of the liquidity risk, the Target Company relies on amount due to a third party and operating funds as significant sources of liquidity. The management of the Target Company also monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Target Company's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Target Company's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Company can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

For the year ended 31 December 2023

	Weighted average interest rate	On demand or less than a year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amounts
	%	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Trade payables	—	378	—	—	378	378
Amount due to a director	—	6,745	—	—	6,745	6,745
Lease liabilities	3.08	3,451	3,753	6,485	13,689	12,947
		10,574	3,753	6,485	20,812	20,070

For the year ended 31 December 2024

	Weighted average interest rate	On demand or less than a year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amounts
	%	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Trade payables	—	906	—	—	906	906
Amount due to a director	—	6,965	—	—	6,965	6,965
Lease liabilities	3.08	5,879	6,302	8,339	20,520	19,435
		13,750	6,302	8,339	28,391	27,306

For the year ended 31 December 2025

	Weighted average interest rate	On demand or less than a year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amounts
	%	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Trade payables	—	905	—	—	905	905
Amount due to a director	—	3,001	—	—	3,001	3,001
Lease liabilities	3.08	6,302	4,795	3,543	14,640	14,068
		10,208	4,795	3,543	18,546	17,974

For the period 31 March 2026

	Weighted average interest rate	On demand or less than a year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amounts
	%	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Trade payables	—	772	—	—	772	772
Amount due to a director	—	3,091	—	—	3,091	3,091
Lease liabilities	3.08	6,408	3,768	2,939	13,115	12,633
		10,271	3,768	2,939	16,978	16,496

23. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders through optimisation of the debt and equity balance. The Target Company's overall strategy remains unchanged through the Relevant Periods.

The management of the Target Company reviews the capital structure on a regular basis. As part of this review, the management of the Target Company considers the cost of capital and the risks associated with the capital. Based on the recommendation of the management of the Target Company, the Target Company will balance its overall capital structure through issue of shares, new debt or the redemption of existing debt.

The Target Company did not subject to externally imposed capital requirements:

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities

The table below details changes in the Target Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Target Company's statement of cash flows from financing activities.

	Interest payable	**Lease liabilities**	**Total**
	HKD'000	*HKD'000*	*HKD'000*
Charges from cash flows:			
New lease	—	13,617	13,617
Principal element of lease paid	—	(670)	(670)
Interest paid	(170)	—	(170)
Non-cash:			
Interest expenses	170	—	170
As at 31 December 2023 and 1 January 2024	—	12,947	12,947
Charges from cash flows:			
New lease	—	10,162	10,162
Principal element of lease paid	—	(3,674)	(3,674)
Interest paid	(463)	—	(463)
Non-cash:			
Interest expenses	463	—	463
As at 31 December 2024 and 1 January 2025	—	19,435	19,435
Principal element of lease paid	—	(5,367)	(5,367)
Interest paid	(512)	—	(512)
Non-cash:			
Interest expenses	512	—	512
As at 31 December 2025 and 1 January 2026	—	14,068	14,068
Principal element of lease paid	—	(1,435)	(1,435)
Interest paid	(91)	—	(91)
Non-cash:			
Interest expense	91	—	91
As at 31 March 2026	—	12,633	12,633

25. RELATED PARTIES BALANCES AND TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Target Company entered into the following material related party transactions:

a. Key management personnel remuneration

Key management of the Target Company is member of the Board. Key management personnel remuneration includes the following expenses:

	Period/Year ended 31 December			For the three months ended 31 March	
	2023	2024	2025	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000* (unaudited)	*HKD'000*
Director's fees	—	345	465	105	90

b. Balances with related parties

Particulars of balances with related parties are as follow:

		As at 31 December			As at 31 March
		2023	2024	2025	2026
	Note	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
Amount due to a director of the Target Company		6,745	6,965	3,001	3,091

26. CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025, and 31 March 2026 the Target Company did not have any contingent liabilities.

27. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this Historical Financial Information, there were no other significant events that might affect the Target Company since the end of the year ended 31 March 2026.

*Set out below is the management discussion and analysis of the Target Company for each of the three years ended 31 December 2023, 2024, and 2025 and the three months ended 31 March 2026 ("**Relevant Periods**"). The following financial information is based on the financial information of the Target Company as set out in Appendix II to this circular.*

BUSINESS REVIEW

The Target Company is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Target Company is beneficially owned as to 49% by Ms. Hung and 51% by the Vendor, respectively.

Ms. Hung is the daughter of Mr. Hung and is the sole director of the Target Company responsible for its daily operation.

The Target Company is principally engaged in the operation of Thai hotpot restaurants in Hong Kong under the brand name of "四面泰" at Airside Kai Tak and Sha Tin New Town Plaza, respectively.

The business operation at Sha Tin New Town Plaza commenced in the second half of 2023, while the business operation at Airside Kai Tak commenced in the second half of 2024.

FINANCIAL REVIEW

(a) Financial performance

The revenue of the Target Company increased from approximately HK$4.8 million for the year ended 31 December 2023 to approximately HK$36.1 million for the year ended 31 December 2024, and further to approximately HK$51.3 million for the year ended 31 December 2025. The increase in revenue was mainly attributable to the commencement of business operation at Sha Tin New Town Plaza in the second half of 2023, which contributed a full year of revenue in 2024, as well as the commencement of business operation at AIRSIDE Kai Tak in the second half of 2024, which further expanded the Target Company's revenue base in 2025.

The gross profit of the Target Company increased from approximately HK$3.4 million for the year ended 31 December 2023 to approximately HK$27.3 million for the year ended 31 December 2024, and further to approximately HK$38.2 million for the year ended 31 December 2025. The gross profit margin remained relatively stable at approximately 71.6%, 75.6% and 74.6% for the three years ended 31 December 2023, 2024 and 2025, respectively.

For the three years ended 31 December 2023, 2024 and 2025, the Target Company recorded a loss before tax of approximately HK$1.5 million, and profit before tax of approximately HK$3.2 million and HK$6.0 million, respectively. The turnaround from loss to profit and the subsequent increase in profit before tax were mainly attributable to the increase in revenue, the full-year contribution from the Sha Tin New Town Plaza operation, the additional revenue contribution from AIRSIDE Kai Tak, and improved operating efficiency as the Target Company's business operations scaled up.

The Target Company recorded a loss and total comprehensive expense of approximately HK$1.5 million for the year ended 31 December 2023, and profit and total comprehensive income of approximately HK$3.1 million and HK$4.7 million for the years ended 31 December 2024 and 2025, respectively.

For the three months ended 31 March 2026, the Target Company recorded revenue of approximately HK$10.5 million, representing a decrease of approximately 18.9% from approximately HK$12.9 million for the corresponding period in 2025. Gross profit decreased from approximately HK$9.9 million to approximately HK$7.8 million, while gross profit margin decreased from approximately 76.8% to approximately 74.6%.

The decrease in revenue was mainly attributable to reduced customer traffic as more Hong Kong residents travelled to Mainland China, particularly Shenzhen, for dining, shopping and leisure activities, with a more pronounced impact on the Sha Tin New Town Plaza restaurant. Profitability was also affected by approximately HK$0.29 million of staff-related expenses, comprising approximately HK$0.15 million of final payments to five frontline employees and approximately HK$0.14 million of staff bonuses relating to 2025. Such expenses were concentrated in the first quarter of 2026 and are not expected to recur at the same level.

As a result, profit before taxation decreased from approximately HK$2.0 million for the three months ended 31 March 2025 to approximately HK$0.1 million for the three months ended 31 March 2026, while profit and total comprehensive income decreased from approximately HK$1.8 million to approximately HK$0.05 million.

(b) Liquidity and financial resources

As at 31 December 2023, 31 December 2024 and 31 December 2025, the Target Company recorded net liabilities of approximately HK$0.5 million, net assets of approximately HK$2.6 million and net assets of approximately HK$7.3 million, respectively.

The Target Company had bank balances and cash of approximately HK$0.9 million, HK$1.8 million and HK$7.0 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively. As at the same dates, the Target Company recorded net current liabilities of approximately HK$8.8 million, HK$11.6 million and HK$3.9 million, respectively.

The net current liabilities position was mainly attributable to the current portion of lease liabilities recognised in respect of the Target Company's restaurant premises and the amount due to a director. The amount due to a director was unsecured, non-interest bearing and repayable on demand, and decreased from approximately HK$7.0 million as at 31 December 2024 to approximately HK$3.0 million as at 31 December 2025.

As at 31 December 2023, 31 December 2024 and 31 December 2025, the Target Company did not have any bank borrowings.

As at 31 March 2026, the Target Company had total assets of approximately HK$22.3 million, net assets of approximately HK$3.3 million, bank balances and cash of approximately HK$3.8 million and net current liabilities of approximately HK$7.3 million. The decrease in net assets from approximately HK$7.3 million as at 31 December 2025 was mainly attributable to the payment of a dividend of HK$4.0 million during the period.

The net current liabilities position was mainly attributable to lease liabilities and the amount due to a director. As at 31 March 2026, the amount due to a director was approximately HK$3.1 million and was unsecured, non-interest-bearing and repayable on demand. The entire amount was subsequently repaid on 29 April 2026. The Target Company did not have any bank borrowings as at 31 March 2026.

(c) Foreign Currency Management

The Target Company principally conducts its business operations in Hong Kong and, therefore, is not materially exposed to foreign exchange risk. The Target Company currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. Nevertheless, the Target Company will continue to closely monitor its foreign currency exposure and will consider adopting appropriate hedging measures, if necessary.

(d) Gearing ratio

For the purpose of this section, gearing ratio is calculated based on total interest-bearing bank and other borrowings divided by total equity. As the Target Company did not have any bank borrowings and the amount due to a director was non-interest bearing as at 31 December 2023, 31 December 2024 and 31 December 2025, the gearing ratio calculated on such basis was not applicable as at the respective dates.

The Target Company recognised lease liabilities under IFRS 16 in respect of its leased restaurant premises. Such lease liabilities amounted to approximately HK$12.9 million, HK$19.4 million and HK$14.1 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively.

As the Target Company had no interest-bearing bank borrowings as at 31 March 2026, the gearing ratio, calculated based on interest-bearing borrowings divided by total equity, was not applicable. Lease liabilities amounted to approximately HK$12.6 million as at 31 March 2026.

(e) Contingent liabilities

The Target Company did not have any contingent liabilities as at 31 December 2023, 31 December 2024, 31 December 2025.

(f) Financial risk management

For the three years ended 31 December 2025 and for the three months ended 31 March 2026, the Target Company was mainly exposed to credit risk, liquidity risk and interest rate risk arising in the normal course of business. The Target Company's credit risk was primarily attributable to trade receivables, deposits and other receivables, and bank balances. The Target Company managed its credit risk through credit control procedures, ongoing monitoring of receivables and impairment assessment under the expected credit loss model.

In respect of liquidity risk, the Target Company monitored and maintained cash and cash equivalents at levels considered adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows. As the operations of the Target Company were principally based in Hong Kong during the three years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2026, its principal assets and liabilities, as well as its business transactions, were predominantly denominated in Hong Kong dollars. Accordingly, the Target Company considered that it did not have any material exposure to foreign exchange fluctuations, and no hedging measures were taken during the Relevant Periods.

(g) Funding and treasury policy

The Target Company has adopted a prudent financial management approach towards its funding and treasury policy. The Target Company closely monitored its liquidity position to ensure that the liquidity structure of its assets, liabilities and other commitments could meet its funding requirements from time to time.

(h) Charge of assets

As at 31 December 2023, 31 December 2024, 31 December 2025 and 31 March 2026, there was no charge of assets of the Target Company.

(i) Employee and remuneration policies

As at the Latest Practicable Date, the Target Company had 38 employees based in Hong Kong. For the years ended 31 December 2023, 2024 and 2025, the Target Company's staff costs primarily consisted of salaries, wages and related staff benefits paid to its restaurant staff, including chefs, kitchen staff, waiters, waitresses and other operational staff, which amounted to approximately HK$1.6 million, HK$9.0 million and HK$13.2 million, respectively.

Staff costs, including director's emoluments and defined contribution benefits, amounted to approximately HK$3.0 million for the three months ended 31 March 2026, compared with approximately HK$3.3 million for the corresponding period in 2025.

In order to attract and retain suitable personnel for its restaurant operations and to ensure smooth daily operations, the Target Company offered remuneration packages with reference to market conditions, job responsibilities, individual qualifications, experience and performance. The Target Company also provided on-the-job training to its restaurant staff, including training on food preparation, customer service, hygiene standards, workplace safety and daily operational procedures. The Target Company did not adopt any share option scheme.

(j) Significant investments and material acquisition and disposals

The Target Company did not have any significant investments with a value of 5% or more of its total assets as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 March 2026, respectively. The Target Company did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the three years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2026.

(k) Future plans and prospects

As at the Latest Practicable Date, the Target Company intends to further expand the Target Company's restaurant network by opening one to two additional "Fall in Thai" restaurants in Hong Kong, with a particular focus on suitable locations on Hong Kong Island. The first additional restaurant is currently expected to open by the end of 2026 and, subject to the availability of suitable premises and prevailing market conditions, the second additional restaurant is expected to open during the first half of 2027. In addition, the Target Company will also consider opportunities to cooperate with suitable local business partners in overseas markets to introduce the "Fall in Thai" brand to other countries.

Save as disclosed above, the Target Company did not plan to launch new business or make material investments or capital assets as at the Latest Practicable Date.

The following is the text of a report on the unaudited pro forma financial information of the Enlarged Group received from Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Longhui International Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Longhui International Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), Go Forward Corporation Limited (the "**Target Company**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2024, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages IV-1 to IV-8 of the Company's circular dated 25 August 2026, in connection with the proposed acquisition of 51% equity interests in the Target Company (the "**Acquisition**") 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 IV-1 to IV-8 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Acquisition on the Group's financial position as at 30 June 2024 as if the Acquisition had taken place at 30 June 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2024, on which a 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 Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

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

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 or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

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

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

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

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 30 June 2024 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 company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 25 August 2026

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma financial information of the Company and its subsidiaries (collectively referred to as the "**Group**") and the Target Company (collectively referred to as the "**Enlarged Group**") (the "**Unaudited Pro Forma Financial Information**") is prepared by the directors of the Company (the "**Directors**"), in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for the purpose of illustrating the effect of the proposed acquisition of 51% equity interest of the Target Company, at a consideration of HKD6,000,000, which shall be settled by the issue of zero-coupon promissory note in the principal amount of HKD6,000,000 by the Company (the "**Acquisition**").

The unaudited pro forma condensed consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2024 is prepared based on (i) the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024, which has been extracted from the published interim report of the Group for the six months ended 30 June 2024; and (ii) the statement of financial position of the Target Company as at 31 December 2025, which has been extracted from the Accountants' Report as set out in Appendix II to this Circular and after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the Acquisition and (ii) factually supportable, as if the Acquisition had been completed on 30 June 2024. The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties. Accordingly, because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had Acquisition been completed as at 30 June 2024 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction of the historical financial information of the Group and the Target Company, as set out in the published interim report of the Group for the six months ended 30 June 2024 and the Accountants' Report of the Target Company as set out in Appendices II to this Circular, respectively and other financial information included elsewhere in the Circular.

HKD:RMB

B. UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group as at 30 June 2024	**The Target Company as at 31 March 2026**	**Pro forma adjustments**	**Enlarged Group as at 30 June 2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	
Non-current assets				
Property and equipment	107	3,119	—	3,226
Right-of-use assets	15,312	9,676	—	24,988
Prepayments, deposits and other receivables	3,060	2,279	—	5,339
Goodwill	—	—	3,800	3,800
	18,479	15,074	—	37,353
Current assets				
Inventories	13,026	245	—	13,271
Trade receivables	1,011	354	—	1,365
Prepayments, deposits and other receivables	7,502	600	—	8,102
Cash and cash equivalents	28,124	3,369	—	31,493
Total current assets	49,663	4,568	—	54,231
Total assets	68,142	19,642	—	91,584

	The Group as at 30 June 2024 *RMB'000* *Note 1*	The Target Company as at 31 March 2026 *RMB'000* *Note 2*	Pro forma adjustments *RMB'000* *Note 3*	Enlarged Group as at 30 June 2024 *RMB'000*
LIABILITIES				
Non-current liabilities				
Lease liabilities	15,778	5,747	—	21,525
Total non-current liabilities	15,778	5,747	—	21,525
Current liabilities				
Trade payables	25,880	681	—	26,561
Other payables and accruals	144,192	869	5,290	150,351
Contract liabilities	39,230	—	—	39,230
Amount due to a director	—	2,725	—	2,725
Tax payables	—	1,309	—	1,309
Lease liabilities	9,842	5,390	—	15,232
Borrowings	4,400	—	—	4,400
Total current liabilities	223,544	10,974	—	239,808
Total liabilities	239,322	16,721	—	261,333
Net current liabilities	(173,881)	(6,406)	—	(185,577)
Net (liabilities)/assets	(171,180)	2,921	—	(169,749)

C. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The financial information of the Group as at 30 June 2024 were extracted from the published interim report of the Group for the six months ended 30 June 2024.

2. The adjustments represent the inclusion of the combined assets and liabilities of the Target Company as at 31 March 2026 as extracted from the Accountants' Report on historical financial information of the Target Company for each of the three period/years ended 31 March 2026 as set out in Appendix II to this Circular, which has been prepared in accordance with accounting policies of the Group, with certain adjustments being made to be in line with presentation of the financial information of the Group where appropriate, and translated to Renminbi ("**RMB**") at Hong Kong dollar ("**HKD**") 1 to RMB0.8816 with reference to the closing rate published by HKMA (https://www.hkma.gov.hk/eng/data-publications-and-research/data-and-statistics/monthly-statiscal-bulletin/table/) at 31 March 2026. No representation is made that any amount in HKD could be or could have been converted to RMB at the relevant date at that rate or at all.

3. On 29 April 2026, the Company, Team Pacific Holdings Limited (an indirect wholly-owned subsidiary of the Company) and Heshun Holdings Company Limited (the "**Vendor**") entered into the sale and purchase agreement, pursuant to which the Team Pacific Holdings Limited agreed to acquire, and the Vendor agreed to sell, 51% equity interests in the Target Company for a consideration of HKD6,000,000, which shall be settled by the issue of the promissory note by the Company to the Vendor at completion. The maturity date of zero-coupon the promissory note will be first anniversary of the date of issuance of the promissory note.

   Under International Financial Reporting Standards ("**IFRSs**"), the acquisition of the Target Company was accounted for as acquisition of a business. Assuming that the acquisition of the Target Company had taken place on 30 June 2024, the combined assets and liabilities of the Target Company as at 31 March 2026 have no material differences from the combined assets and liabilities of the Target Company as at 30 June 2024.

   In accordance with IFRS 3, the excess of consideration over the fair value of identifiable net assets shall be accounted for as a goodwill. The adjustment represents goodwill arising from the Acquisition which is calculated as follows.

   For the purpose of preparation of the Unaudited Pro Forma Financial Information, it is assumed that the pro forma fair values of the identifiable assets and liabilities of the Target Company approximate their carrying amounts as at 30 June 2024.

The Acquisition will be accounted for under the acquisition method of accounting in accordance with IFRS 3 "Business Combinations" issued by the International Accounting Standards Board.

The recognition of pro forma goodwill from the Acquisition as if the Acquisition were completed on 30 June 2024 are as follows:

	HKD'000	*RMB'000*
Consideration satisfied by Promissory notes	6,000	5,290
Net asset value of the Target Company	(3,312)	(2,920)
Less: non-controlling interests	1,623	1,430
Goodwill	4,311	3,800

4. The fair value of net assets acquired is subject to changes upon completion of the Acquisition because in accordance with IFRS 3, the fair value of all identifiable assets and liabilities of the Target Company shall be assessed on the date of completion and the consideration of the Acquisition shall be subject to changes based on the share price of the Company. Accordingly, the goodwill may be materially different from the calculation above.

   Accordingly, this Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition.

   For the purpose of the unaudited pro forma financial information of the Enlarged Group, the Group's management made preliminary assessment, with reference to International Accounting Standard 36, Impairment of Assets, issued by the International Accounting Standards Board, as to whether or not, based on the above information, there is any indicator of impairment on goodwill arising from the Acquisition. Based on such assessment, the directors of the Company did not identify any impairment indicator in respect of the goodwill arising from the Acquisition.

   The management will follow the Group's accounting policy in respect of assets impairment assessment, including the assessment of the impairment of goodwill arising from the Acquisition when preparing the Group's consolidated financial statements covering the period in which the Acquisition is completed. The Group's consolidated financial statements will be subject to the annual audit by the Group's auditors in accordance with Hong Kong Standards of Auditing.

5. Other than the above adjustments, no other adjustment had been made to the Unaudited Pro Forma Information to reflect any trading results or other transactions that the Enlarged Group and the Target Company entered subsequent to 30 June 2024. The above adjustments are not expected to have a continuing effect on the unaudited pro forma financial information of the Enlarged Group.

BonVision
宏展国际

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25 August 2026

Longhui International Holdings Limited
6/F., Queen's Road Centre,
152 Queen's Road Central,
Central, Hong Kong

Dear Sir/Madam,

Re: Business Valuation in relation to 51% Equity Interests in Go Forward Corporation Limited

In accordance with the instructions from Longhui International Holdings Limited (hereinafter referred to as the "**Company**") to us to conduct a business valuation in relation to 51% equity interests in Go Forward Corporation Limited (hereinafter referred to as the "**Business Enterprise**"). We are pleased to report that we have made relevant enquiries and obtained other information which we considered relevant for the purpose of providing you with our valuation as at 31 December 2025 (hereinafter referred to as the "**Date of Valuation**").

This report states the purpose of valuation, scope of work, economic overview, industry overview, an overview of the Business Enterprise, basis of valuation, valuation methodology, major assumptions, information reviewed, limiting conditions, remarks and presents our opinion of value.

1. PURPOSE OF VALUATION

This valuation report has been prepared exclusively for the use of the directors and management of the Company. Additionally, BonVision International Appraisals Limited (hereinafter referred to as "**BVIA**") acknowledges that this report may be made available to the Company for public documentation purpose.

BVIA does not assume any responsibility beyond the Company for the contents of this report. If any other parties choose to rely on the information and findings presented in this report, they do so entirely at their own risk and BVIA bears no liability for such third-party usage.

2. SCOPE OF WORK

Our valuation conclusion is based on the assumptions stated herein and the information provided by the management of the Company, the management of the Business Enterprise and/or their representative(s) (together referred to as the "**Management**").

In preparing this report, we have undertaken the necessary steps to facilitate the valuation for the Business Enterprise. We have engaged in detailed discussions with the Management. We have coordinated with the Company's representatives to obtain all the required information and supporting documents pertaining to the Business Enterprise. We have conducted market research on comparable companies and performed data analysis on the market trends.

Based on the research and information, we have selected an appropriate valuation method to conduct the valuation of the Business Enterprise and compiled this report.

3. ECONOMIC OVERVIEW

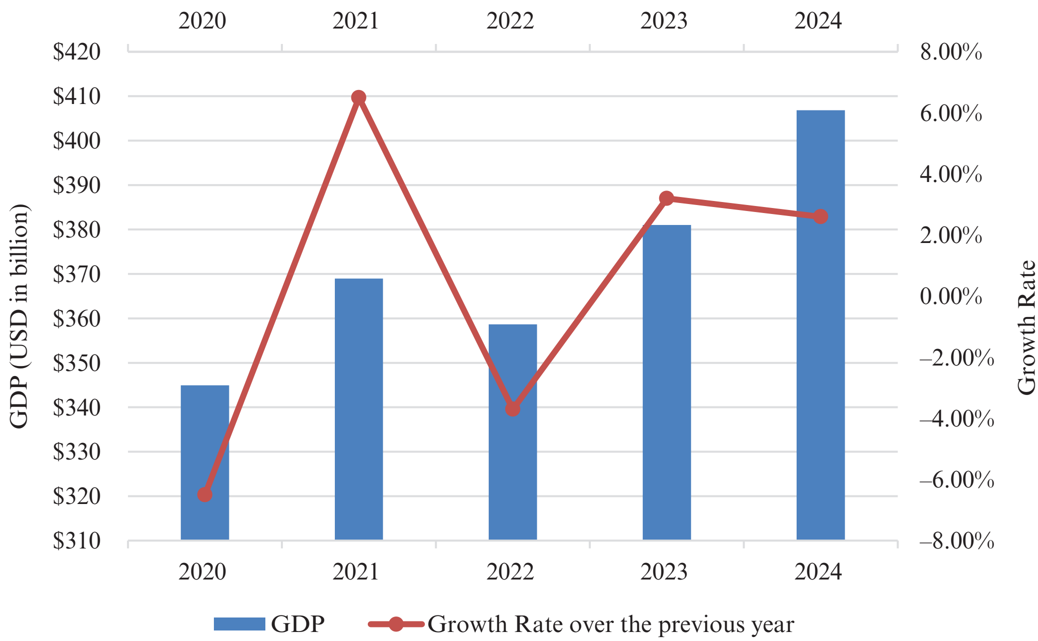
As a leading international financial centre and a highly developed economy, the development of the Hong Kong Special Administrative Region ("**Hong Kong**" or "**HKSAR**") holds significant implications for businesses, investors, and policymakers in the Asia-Pacific region and globally. This overview delves into key aspects of Hong Kong's economy, including Gross Domestic Product ("**GDP**") growth and inflation levels measured by the Consumer Price Index ("**CPI**").

3.1 Gross Domestic Product of Hong Kong

GDP serves as a primary economic indicator, measuring the total value of all goods and services produced in an economy over a specific period. Hong Kong's economy has been characterized by moderate growth in recent decades. According to the World Bank, Hong Kong's GDP growth had generally remained stable prior to the pandemic, broadly in line with other advanced economies, supported by external trade, financial services, and private consumption.

However, in recent years, due to factors such as the COVID-19 pandemic and global economic uncertainties, Hong Kong's GDP growth rate has experienced significant fluctuations. Figure 1 illustrates the GDPs and growth rates of Hong Kong from 2020 to 2024. Nonetheless, in 2024, a year focused on economic recovery, Hong Kong's GDP still grew by 2.6% year-on-year. The size of Hong Kong's economy expanded from USD381 billion in 2023 to USD407 billion in 2024, as reported by the International Monetary Fund.

Figure 1 — GDPs and Growth Rates of Hong Kong from 2020 to 2024



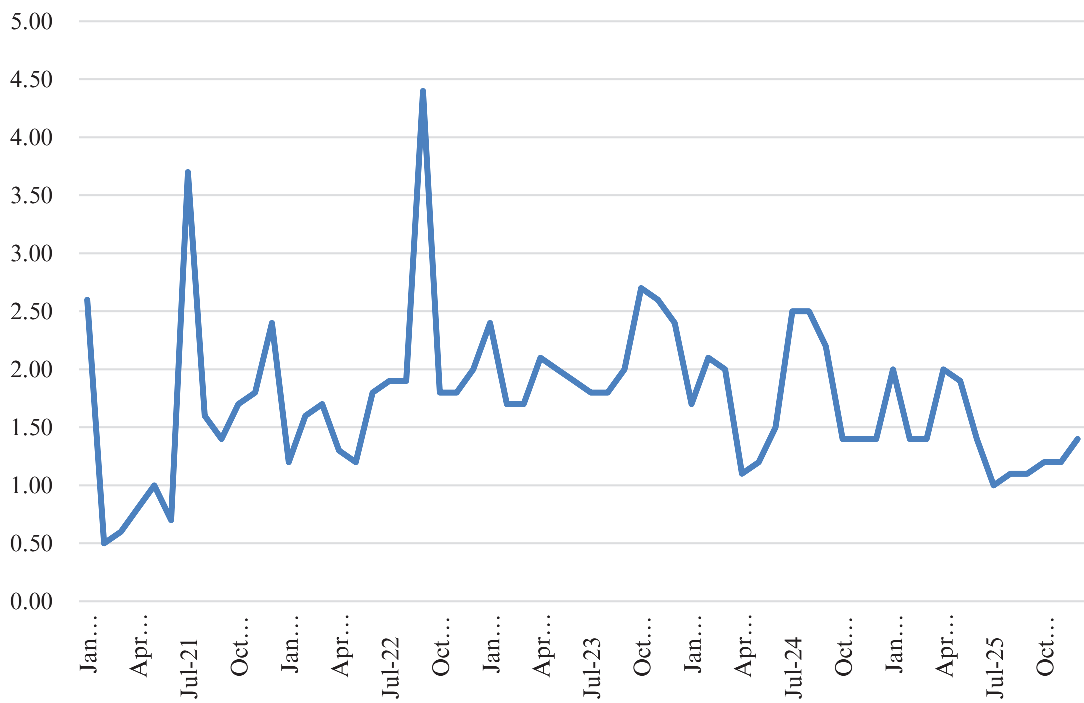
Source: the World Bank and the International Monetary Fund

3.2 Inflation in Hong Kong

Consumer Price Index (CPI) is a widely used measure of inflation that reflects changes in the average prices of a basket of goods and services consumed by households. In Hong Kong, the CPI serves as a crucial indicator of price stability and the overall cost of living.

From 2021 to 2025, Hong Kong's CPI showed a clear pattern of rising inflation followed by gradual moderation. Inflation strengthened in 2021 as economic activity rebounded, with CPI climbing steadily and peaking mid-year, and remained elevated in 2022 when higher global energy prices, supply chain disruptions, and imported inflation pushed CPI to its highest level in September. As these external pressures eased and domestic demand slowed, inflation moderated in 2023, averaging just above 2%. This downward trend continued into 2024 and 2025, with CPI stabilising around 1.7% and then easing further to about 1.4%, reflecting easing cost pressures, and a more stable price environment overall. Figure 2 illustrates CPI (annual variation in %) of Hong Kong from 2021 to 2025.

Figure 2 — Consumer Price Index (CPI, annual variation in %) of Hong Kong from 2021 to 2025



Source: Census and Statistics Department

4. INDUSTRY OVERVIEW

Hotpot is one of the most significant segments within Hong Kong's restaurant industry. The development of the hotpot industry in Hong Kong has been fueled by several factors. Firstly, Hong Kong's dense population and strong dining-out culture have created consistent demand for diverse hotpot dining experiences. Secondly, the hotpot format has played a crucial role in the catering market due to its high degree of standardisation and replicability, enabling efficient chain expansion. These hotpot restaurants are operated with centralized supply chains and standardized recipes. Hotpot plays a vital role in promoting the catering industry by providing consistent dining experiences to a broad consumer base. Recognising its importance, the government of Hong Kong has shown significant support for the catering and hotpot industry in recent years.

4.1 Growth of the Catering Industry in Hong Kong

The catering industry in Hong Kong has witnessed notable changes over the past several years. In 2025, the Policy Address announced the streamlining of the restaurant licensing regime and expedited approval of applications for outside seating accommodation, reducing administrative burdens for food and beverage operators. As a result, restaurants in Hong Kong have benefited from improved operational efficiency. According to market data, the total number of licensed restaurants in Hong

Kong has remained substantial, with Chinese cuisine remaining the dominant segment. Mainland Chinese catering brands have been expanding rapidly into Hong Kong, leveraging the city as a strategic platform for brands and overseas market exploration.

4.2 Current Hotpot Industry in Hong Kong

The hotpot industry in Hong Kong features a diverse range of offerings catering to different consumer preferences. Chinese-style hotpot remains the most dominant segment, with Cantonese, Sichuan (Spicy), and Chaozhou-style soup bases being particularly popular among local diners. In recent years, Japanese-style hotpot has also gained significant traction, with brands such as "Kou Nitsuko" (好鍋日子), a sub-brand under the Gyukaku Group, offering affordable individual hotpot sets. Meanwhile, Thai-style hotpot has carved out a distinct niche, appealing to consumers seeking differentiated Southeast Asian flavors. In terms of market dynamics, mainland Chinese hotpot brands continue to expand into Hong Kong, with Guoquan (鍋圈) planning to open its first flagship store in Wan Chai in 2026 as a strategic move to explore overseas markets. During 2025, inflationary pressures eased with CPI moderating to approximately 1.50% annually, reflecting relatively stable price dynamics. The diversified hotpot landscape indicates that Hong Kong's hotpot catering sector has evolved into a multi-cuisine, brand-driven market, offering consumers a wide array of choices while presenting growth opportunities for differentiated players.

5. OVERVIEW OF THE BUSINESS ENTERPRISE

The Business Enterprise is principally engaged in the operation of Thai hotpot restaurants in Hong Kong under the brand name of "四面泰泰式火鍋" at Airside Kai Tak and Sha Tin New Town Plaza. Both shops generate revenue primarily from dine-in customers, with a secondary contribution from food takeaway and delivery services.

6. BASIS OF VALUATION

Our valuation is conducted on a market value basis. According to the International Valuation Standards established by the International Valuation Standards Council in 2024, **market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

7. VALUATION METHODOLOGY

There are three well-established approaches that can be used to determine the market value of the Business Enterprise: the Market-Based Approach, the Income-Based Approach, and the Asset-Based Approach. The appropriateness of each approach depends on the specific circumstances and the nature of the business entity being valued.

Market-Based Approach

The Market-Based Approach values a business entity by comparing prices at which other business entities in a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. By adopting this approach, the valuer will first look for valuation indication of prices of other similar business entities that have been sold recently.

The right transactions employed in analysing indications of values need to be sold at an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell.

Income-Based Approach

The Income-Based Approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the Income-Based Approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realising those benefits.

Alternatively, this present value can be calculated by capitalising the economic benefits to be received in the next period at an appropriate capitalisation rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

Asset-Based Approach

The Asset-Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals to the value of its invested capital ("**equity and long term debt**"). Under the Asset-Based Approach, the market value of equity of a business entity refers to the market values of various assets and liabilities on the statement of financial position of the business entity as at the measurement date, in which the market value of each asset and liability was determined by reasonable valuation approaches based on its nature.

Selection of Valuation Approach

In the process of valuing the Business Enterprise, we have taken into account the Business Enterprise's operations, financial information, and the nature of the business.

The Income-Based Approach was not adopted, as it would have required numerous assumptions that are inherently subjective and could have materially influenced the valuation outcome. The Asset-Based Approach was not chosen, as it would not have captured the future earnings potential of the business and, therefore, could not accurately reflect the market value.

Consequently, we have decided to adopt the Market-Based Approach to arrive at the market value of the Business Enterprise. Under this approach, we had to determine the appropriate valuation multiples of comparable companies, considering price-to-sales (P/S), price-to-earnings (P/E), and price-to-book (P/B) multiples.

The P/B multiple was not adopted, as it would not have captured the future earnings potential of the Business Enterprise. We considered not to adopt the P/E multiple approach in the process of valuation for the following reasons:

(i) **Wide Range of P/E Multiples:** The P/E multiples of the selected comparable companies exhibited an excessively wide range, making it difficult to derive a reliable and representative multiple for valuation purposes.

(ii) **Unavailability of Reliable P/E Data:** Certain comparable companies did not have available or reliable P/E data (e.g., companies with negative earnings or extreme P/E ratios), further undermining the reliability of this approach.

(iii) **Revenue as a More Stable Metric:** In the restaurant industry, revenue is considered a more stable and reliable indicator of operating scale and market acceptance than earnings, which can be significantly affected by short-term cost fluctuations, one-off items, and accounting adjustments.

We considered to adopt the P/S multiple to calculate the market value of the Business Enterprise as the operating performance of companies in the restaurant industry is reliably reflected by revenue, which tends to be less susceptible to short-term cost fluctuations compared to earnings, and it directly reflects the scale of operations and market acceptance.

Comparable Companies

We adopted several listed companies with similar business nature and operations similar to those of the Business Enterprise as comparable companies. The list of comparable companies was compiled on an exhaustive basis and selected with reference to the following criteria:

- The companies are listing on the Hong Kong Stock Exchange;
- The companies are primarily engaged in restaurant industry, with operation of hotpot restaurants, with more than 50% revenue generated from restaurant operations;

- The companies have major operating segment with more than 50% revenue from Hong Kong or China;
- The companies have a market capitalisation of less than HKD10 billion;
- The companies have sufficient listing and operating histories; and
- The financial information of the companies is available to the public.

Details of the comparable companies adopted were listed as follows:

Company Name	**Stock Code**	**Listing Location**	**Business Description**	**Market Capitalisation** *(HKD million)*
LH Group Limited	SEHK: 1978	Hong Kong	LH Group Limited, an investment holding company, operates as a full-service restaurant company in Hong Kong.	284.00
Longhui International Holdings Limited	SEHK: 1007	Hong Kong	Longhui International Holdings Limited, an investment holding company, engages in the hotpot restaurant business in the People's Republic of China.	13.27
MS Concept Limited	SEHK: 8447	Hong Kong	MS Concept Limited, an investment holding company, provides catering services in Hong Kong.	39.00
Xiabuxiabu Catering Management (China) Holdings Co., Ltd.	SEHK: 520	Hong Kong	Xiabuxiabu Catering Management (China) Holdings Co., Ltd., an investment holding company, operates Chinese hotpot restaurants in the People's Republic of China and internationally.	814.63
Best Food Holding Company Limited	SEHK: 1488	Hong Kong	Best Food Holding Company Limited, an investment holding company, operates a chain of restaurants in the People's Republic of China.	947.20

Company Name	Stock Code	Listing Location	Business Description	Market Capitalisation *(HKD million)*
Jiumaojiu International Holdings Limited	SEHK: 9922	Hong Kong	Jiumaojiu International Holdings Limited manages and operates Chinese cuisine restaurant brands in the People's Republic of China, Singapore, Canada, Malaysia, the United States, Thailand, and Indonesia.	2,489.30

Source: S&P Capital IQ.

The major business segment and geographical segment of the comparable companies:

Company Name	Principal Business	Revenue % from restaurant operations	Revenue from Hong Kong	Revenue from China
LH Group Limited	Restaurant Operations	99.93%	100%	0.00%
Longhui International Holdings Limited	Restaurant Operations	100.00%	0.00%	100%
MS Concept Limited	Provision of Catering Services	100.00%	100%	0.00%
Xiabuxiabu Catering Management (China) Holdings Co., Ltd.	Restaurant Operations	95.75%	N/A[1]	86.52%
Best Food Holding Company Limited	Food and Beverage Business	100.00%	0.00%	100%
Jiumaojiu International Holdings Limited	Restaurant Operations	95.12%	0.00%	100%

Note[1]: Xiabuxiabu Catering Management (China) Holdings Co., Ltd. derives a substantial part of its revenue from the PRC and the remainder from Hong Kong and Taiwan did not separately disclose the revenue from each of Hong Kong and Taiwan, the exact amount of revenue generated in Hong Kong is unavailable.

The selection criteria were established primarily based on the comparability of business operations. Although four of the selected comparable companies (including the Company) operate restaurants the PRC, their similar principal business activities (i.e. hotpot restaurants operation) will share similar operating models and revenue drivers as the Business Enterprise. Hence the financial multiple from PRC company with highly similar business is considered as comparable.

Given the limited availability of listed restaurant operators in Hong Kong with comparable business characteristics, the inclusion of PRC-based restaurant operators provided a larger and more meaningful pool of comparable companies. Accordingly, we consider the selection criteria to be fair and representative for valuation purposes.

Company Name	**Stock Code**	**Market Capitalisation** *(HKD million)*	**Revenue** *(HKD million)*	**P/S Multiple**
LH Group Limited	SEHK: 1978	284.00	1,084.68	0.26
Longhui International Holdings Limited	SEHK: 1007	13.27	71.68	0.19[*Note]
MS Concept Limited	SEHK: 8447	39.00	244.86	0.16
Xiabuxiabu Catering Management (China) Holdings Co., Ltd.	SEHK: 520	814.63	4,233.94	0.19
Best Food Holding Company Limited	SEHK: 1488	947.20	456.64	2.07
Jiumaojiu International Holdings Limited	SEHK: 9922	2,489.30	5,827.79	0.43
			Median (Rounded)	**0.26**

Note: Noted that the Company fulfilled the selection criteria of comparable companies of the Business Enterprise, however with consideration of its trading suspension and capital deficiency position, we have excluded the P/S multiple of the Company in the valuation exercise.

The P/S multiple adopted was the median of the P/S multiples of the above comparable companies (with exclusion of the P/S multiple of the Company) as at the Date of Valuation as extracted from S&P Capital IQ.

7.1 Business Valuation Details

We obtained the estimated market value of the Business Enterprise as at 31 December 2025 by applying the median P/S multiple to the revenue of HKD51,278,000 of the Business Enterprise for the year ended 31 December 2025. The market value of the Business Enterprise was then arrived by adjusting with the control premium, net non-operating assets and the marketability discount.

Reason of Using FY 2025 Revenue

Given the lower revenue and substantially lower profit recorded for the three months ended 31 March 2026, the use of FY2025 revenue as the valuation base remains appropriate for the following reasons:

(i) FY2025 Revenue Is More Representative Than a Single Subsequent Quarter

FY2025 revenue reflects the Business Enterprise's operating performance over a full twelve-month period and captures demand patterns across the entire financial year. In contrast, the results for the three months ended 31 March 2026 represent only a limited post-valuation period and may be influenced by seasonal factors, short-term business fluctuations, or other temporary circumstances. Accordingly, FY2025 revenue is considered a more representative basis for assessing the Business Enterprise's revenue-generating capacity as at the Date of Valuation.

(ii) Post-Valuation Period

The three months ended 31 March 2026 financial results post-date the Date of Valuation and therefore do not affect the determination of the appropriate valuation base as at 31 December 2025.

(iii) No Material Adverse Change

We do not consider the three months ended 31 March 2026 financial results to indicate a material adverse change in the Business Enterprise's business prospects that would undermine the reasonableness of using FY2025 revenue as the valuation base.

Impact on Business Enterprise's Performance After Date of Valuation

We have been informed of the Business Enterprise's financial performance for the three months ended 31 March 2026, as extracted from the Accountants' Report set out in Appendix II to the Circular. In arriving at the valuation conclusion as at the Date of Valuation, we did not consider the post-valuation-date performance of the Business Enterprise, as such information was not available at the time the valuation was performed. Valuations are conducted as at a specific date and reflect facts and circumstances existing at that date. Events occurring after the Valuation Date do not affect the valuation conclusion as at that date.

We have reviewed such information provided by the Management and note that the decline in profitability of the Business Enterprise for the three-month period was primarily attributable to one-off items that were incurred after the Date of Valuation, including but not limited to approximately HKD0.29 million of staff-related expenses, comprising approximately HKD0.15 million of final payments to five frontline restaurant employees whose employment was terminated following management's assessment of their sustained unsatisfactory work performance, and approximately HKD0.14 million of staff bonuses relating to 2025.

Accordingly, we do not consider the three months ended 31 March 2026 results to indicate a material adverse change in the Business Enterprise's underlying business prospects that would have affected the valuation as at 31 December 2025. The one-off nature of these expenses further supports the view that the FY2025 revenue and earnings remain appropriate indicators of the Business Enterprise's ongoing business performance.

Control Premium

The control premium of 31.4% was adopted with reference to the FactSet Mergerstat Control Premium Study, which is a widely recognised source of merger and acquisition transaction data. Specifically, the premium represents the median control premium reported for the third quarter of 2025.

The adoption of a control premium is considered appropriate as the valuation is performed on a controlling interest basis. A controlling shareholder generally possesses the ability to direct the operations, strategic decisions and policies of a business, which typically commands a higher value than a minority interest. Accordingly, the control premium was applied to reflect the additional value attributable to control.

We consider the FactSet study to be appropriate for the Business Enterprise as it provides market-based evidence derived from a broad sample of acquisition transactions and is commonly referenced in valuation practice for estimating control premiums where company-specific transaction data is not available. The use of the median control premium is intended to provide a reasonable and objective benchmark for reflecting the value of control in the Business Enterprise.

Marketability Discount

The marketability discount was the percentage difference between the private placement price per share and the market trading price per share. Compared to similar interest in public companies, ownership interest is not readily marketable for closely held companies. Therefore, the value of a share of stock in a privately held company is usually less than an otherwise comparable share in a publicly held company. We have made reference to the Stout Restricted Stock Study, published by Stout Risius Ross, LLC, one of the national preeminent firms offering a broad range of financial advisory services to private and public companies. According to the Study, a total of 782 private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through 2025 were examined. With reference to the Study, we have adopted the median marketability discount for the 782 transactions of 15.64% in arriving at the market value of the Business Enterprise as at the Date of Valuation.

Calculation of the Market Value of 51% equity interests in the Business Enterprise

The calculation details of the market value of 51% equity interest in the Business Enterprise were illustrated as follows:

	Revenue of the Business Enterprise (HKD)	51,278,000
	Price to Sales Multiple	0.26
	Market Value before Control Premium	13,426,060
x	Control Premium	(1 + 31.40%)
	Market Value before Marketability Discount	17,641,843
x	Marketability Discount	(1 – 15.64%)
	Market Value of 100% Equity Interests in the Business Enterprise (HKD)	14,882,659
x	Percentage of Equity Interests in the Business Enterprise	51.00%
	Market Value of 51% Equity Interest in the Business Enterprise (HKD)	7,590,156
	Market Value of 51% Equity Interest in the Business Enterprise (HKD) (Rounded)	**7,590,000**

Note: Minor discrepancies in intermediate calculations are due to rounding. As the P/S multiple has been rounded to two decimal places for presentation purposes, the resulting market value may not precisely reconcile with the product of the disclosed figures due to rounding differences.

As the market-based approach reflects market conditions and market participants' expectations regarding the Business Enterprise's future growth potential, earnings-generating capacity, and overall business prospects, it may incorporate factors that are not reflected in the Business Enterprise's historical accounting records or net book value.

Accordingly, it is common for a valuation derived under the P/S multiple method to differ, sometimes materially, from the Business Enterprise's net book value. Such differences are attributable to the distinct bases and underlying assumptions of the two valuation measures and do not, in themselves, indicate any inconsistency in the valuation analysis. Hence a valuation at a premium above NAV is fair and reasonable.

For illustration purposes, the implied P/E multiple represented by the appraised value and the Comparable companies' P/E ratio as at the Date of Valuation were illustrated as below:

Market Value of 100% Equity Interests in the Business Enterprise (HKD)	HKD14,882,659
Business Enterprise's Net Profit for FY2025	HKD4,657,000
Implied P/E Multiple	**3.20x**
Range of Comparable Companies' P/E	**22.08x–167.26x**

Note: Market Value of 100% Equity Interests in the Business Enterprise (HKD) was referenced to calculation details in page V-13.

As discussed in the above sections, the P/E ratio method was not adopted due to the excessively wide range of P/E multiples observed among the selected comparable companies, which reduced the reliability of the resulting indication of value. Notwithstanding this, the implied P/E multiple derived from the adopted valuation is lower than those of the comparable companies, indicating that the valuation conclusion is reasonable.

8. KEY ASSUMPTIONS

In arriving at our opinion of value, we have adopted certain specific assumptions in our valuation and the major ones are as follows:

- As advised by the Management, the accountant's report of the Business Enterprise as at 31 December 2025 can reasonably represent the Business Enterprise's financial positions as at the Date of valuation, since the audited financial statements as at the Date of valuation were not available;

- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Business Enterprise operates or intends to operate would be officially obtained and renewable upon expiry;

- There will be sufficient supply of technical staff in the industries in which the Business Enterprise operates, and the Business Enterprise will retain competent management, key personnel and technical staff to support its ongoing operations and developments;

- There will be no major change in the current taxation laws in the localities in which the Business Enterprise operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major change in the political, legal, economic or financial conditions in the localities in which the Business Enterprise operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Business Enterprise; and

- Interest rates and exchange rates in the localities for the operation of the Business Enterprise will not differ materially from those presently prevailing.

9. INFORMATION REVIEWED

Our opinion requires consideration of relevant factors affecting the market value of the Business Enterprise. The factors considered included, but were not necessarily limited to, the following:

- The accountant's report of the Business Enterprise as at 31 December 2025;
- Historical financial information of the Business Enterprise;
- International Valuation Standards 2024 issued by International Valuation Standards Council;
- Group chart of the Business Enterprise;
- General descriptions in relation to the Business Enterprise;
- Economic outlook in Hong Kong; and
- Industry outlook in Hong Kong's catering sector.

We have discussed the details with the Management regarding the information provided and assumed that such information is reasonable and reliable. We have assumed the accuracy of information provided and relied on such information to a considerable extent in arriving at our opinion.

10. LIMITING CONDITIONS

The valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events or circumstances have not been considered and we are not required to update our report for such events and conditions.

We would particularly point out that our valuation was based on the information such as the company background, business nature and business projection of the Business Enterprise provided to us.

To the best of our knowledge, all data set forth in this report are assumed to be reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

We have relied on the historical and/or prospective information provided by the Management and other third parties to a considerable extent in arriving at our opinion of value. The information has not been audited or compiled by us. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

We assumed that the Management is competent and perform duties under the company regulation. Also, ownership of the Business Enterprise was in responsible hands, unless otherwise stated in this report. The quality of the Management may have direct impact on the viability of the business as well as the market value of the Business Enterprise.

We have not investigated the title to or any legal liabilities of the Business Enterprise Unit and have assumed no responsibility for the title to the Business Enterprise appraised.

Our conclusion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. The conclusion and various estimates may not be separated into parts, and/or used out of the context presented herein, and/or used together with any other valuation or study.

We assume no responsibility whatsoever to any person other than the directors and the Management in respect of, or arising out of, the content of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

No change to any item in any part of this report shall be made by anyone except BVIA. We have no responsibility for any such unauthorized change. Neither all nor any part of this report shall be disseminated to the public without the written consent and approval of BVIA through any means of communication or referenced in any publications, including but not limited to advertising, public relations, news or sales media.

This report may not be reproduced, in whole or in part, and utilized by any third parties for any purpose, without the written consent and approval of BVIA.

The working papers and models for this valuation are being kept in our files and would be available for further references. We would be available to support our valuation if required. The title of this report shall not pass to the Company until all professional fee has been paid in full.

11. REMARKS

Unless otherwise stated, all monetary amounts stated in this valuation report are in Hong Kong Dollars (HKD).

We hereby confirm that we have neither present nor prospective interests in the Company, the Business Enterprise, and their associate companies, subsidiaries or the values reported herein.

12. OPINION OF VALUE

Based on the investigation stated above and the valuation method employed, the market value of 51% equity interests in the Business Enterprise as at the Date of Valuation, in our opinion, was reasonably stated as **HKD7,590,000 (HONG KONG DOLLARS SEVEN MILLION FIVE HUNDRED AND NINETY THOUSAND ONLY)**.

Yours faithfully,
For and on behalf of
BonVision International Appraisals Limited

Angela N.C. Kwan, CFA
Chief Executive Officer

Ms. Kwan is a charterholder of Chartered Financial Analyst (CFA) and a holder of Master Degree of Finance (Investment Management). She is also a holder of the Certificate in ESG Investing under CFA Institute, a regular member of the Hong Kong Society of Financial Analysts, a member of The Hong Kong Institute of Directors (MHKIoD), and an associate member of The Hong Kong Independent Non-Executive Director Association Limited (HKiNEDA). She has over 15 years of experience in providing professional valuation and consultancy services for listed and private companies in Hong Kong, the PRC, and worldwide, for accounting, financing, investment, merger and acquisition, initial public offering and spin-off purposes.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES IN THE COMPANY

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of 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 which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company, to be notified to the Company and the Stock Exchange.

Name of Director	Personal interests	Family interests	Corporate Interests	Total	Percentage of aggregate interests to total number of shares in issue *(Note 2)*
Mr. Hung Shui Chak	—	—	52,842,462	52,842,462 *(Note 1)*	27.87%
Mr. So Kam Chuen	948,233	—	—	948,233	0.50%
Mr. Yuan Mingjie	751,360	—	—	751,360	0.40%

Notes:

1. These 52,842,462 shares were held by Shui Chak Group Limited. Shui Chak Group Limited was wholly-owned by Mr. Hung. Thus, Mr. Hung was deemed to be interested in the 52,842,462 shares held by Shui Chak Group Limited pursuant to the SFO.

2. The percentage has been calculated based on 189,592,867 Shares in issue as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, the following substantial Shareholder had interests or short positions in the Shares or the underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO. Other than the interests disclosed below, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Substantial Shareholder	Capacity	Number of Shares interested in *(Note 1)*	Approximate percentage of the number of issued Shares *(Note 2)*
Shui Chak Group Limited	Beneficial owner	52,842,462	27.87%

Notes:

1) These 52,842,462 Shares were held by Shui Chak Group Limited. Shui Chak Group Limited was wholly-owned by Mr. Hung. Thus, Mr. Hung was deemed to be interested in the 52,842,462 Shares held by Shui Chak Group Limited pursuant to the SFO. Mr. Hung, the chairman and an executive Director, is also a director of Shui Chak Group Limited.

2) The percentage has been calculated based on 189,592,867 Shares in issue as at the Latest Practicable Date.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Enlarged Group (excluding contracts expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation)).

5. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2023 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Enlarged Group.

6. DIRECTORS' COMPETING INTERESTS

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

7. LITIGATION

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

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions or advice, which is contained in this circular:

Name	Qualification
Aurelius Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants
BonVision International Appraisals Limited	Independent professional valuer

The experts named above did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, the experts named above did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

The experts named above have given and have not withdrawn their written consents to the issue of this circular, with the inclusion therein of their letters or the references to their names in the form and context in which they respectively appear.

9. MATERIAL CONTRACTS

During the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date, the following contract (not being contracts entered into in the ordinary course of business of the Enlarged Group) was entered into by the Company and/or members of the Enlarged Group and is or may be material to the Enlarged Group:

(i) the Sale and Purchase Agreement;

(ii) the placing agreement dated 19 December 2024 entered into among Shui Chak Group Limited (as vendor), Cheong Lee Securities Limited (as placing agent) and the Company in relation to the placing of up to 21,000,000 existing Shares beneficially owned by Shui Chak Group Limited at the placing price of HK$0.12 per Share through Cheong Lee Securities Limited; and

(iii) the subscription agreement dated 19 December 2024 entered into between Shui Chak Group Limited and the Company in relation to the subscription by Shui Chak Group Limited for up to 21,000,000 new Shares, being equivalent to the number of placing Shares successfully placed under the placing agreement referred to in paragraph (ii) above, at the subscription price of HK$0.12 per Share.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the Company (https://www.cre8ir.com/zh/01007.html); and (ii) on the website of the Stock Exchange (www.hkexnews.hk) from the date of this circular up to and including the date of the EGM (being not less than 14 days):

(i) the memorandum and articles of association of the Company;

(ii) the annual reports of the Company for the three financial years ended 31 December 2021, 2022 and 2023 and the interim report of the Company for the six months ended 30 June 2024;

(iii) the written consents referred to under the paragraph headed "8. Experts and Consents" in this Appendix;

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

(v) the letter from the Independent Board Committee, the text of which is set out in this circular;

(vi) the Letter from the Independent Financial Adviser, the text of which is set out in this circular;

(vii) the accountants' report on the Target Company, the text of which is set out in Appendix II to this circular;

(viii) unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(ix) the Valuation Report on the Target Company, the text of which is set out in Appendix V to this circular;

(x) the material contracts referred to in the paragraph headed "9. Material Contracts" of this Appendix; and

(xi) this circular.

11. GENERAL

(i) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(ii) The secretary of the Company is Mr. Wong Wing Kit who is a member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He holds a Master of Business Administration Degree from the City University of Hong Kong and a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University.

(iii) The head office and principal place of business of the Company in Hong Kong is 6/F., Queen's Road Centre, 152 Queen's Road Central, Central, Hong Kong.

(iv) The Company's principal share registrar and transfer office in the Cayman Islands is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(v) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Ltd. at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(vi) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

LONGHUI INTERNATIONAL HOLDINGS LIMITED
龍 輝 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of shareholders of Longhui International Holdings Limited (the "**Company**") will be held at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Central, Hong Kong on Friday, 11 September 2026 at 11:00 a.m., to consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") dated 29 April 2026 (as supplemented) (a copy of which has been produced at the EGM and marked "A" and initialled by the chairman of the EGM for the purpose of identification) and entered into among the Company, Team Pacific Holdings Limited (the "**Purchaser**") and Heshun Holdings Company Limited (the "**Vendor**") in relation to the proposed acquisition of 51% equity interests in Go Forward Corporation Limited (the "**Target Company**") by the Purchaser from the Vendor for the consideration of HK$6,000,000, which shall be settled by the issue of the Promissory Note (as defined below) by the Company at the completion of the Sale and Purchase Agreement, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) the issue of a zero-coupon promissory note in the principal amount of HK$6,000,000 due 2027 (the "**Promissory Note**") by the Company in favour of the Vendor in settlement of the consideration payable by the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement be and is hereby approved; and

(c) any director of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute (including the affixation of the common seal of the Company when required) all such documents for and on behalf of the Company as they may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder including the issue of the Promissory Note, and to make and agree to make such variations of the terms of the Sale and Purchase

Agreement as they may in their discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders as a whole."

Yours faithfully,
By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and executive Director

Hong Kong, 25 August 2026

Notes:

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this notice.

2. Voting at the EGM will be taken by poll as required under the Listing Rules.

3. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting of the Company. A proxy need not be a member of the Company.

4. For the purpose of determining the list of shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 8 September 2026 to Friday, 11 September 2026. No transfer of shares of the Company will be registered during these days. In order to qualify to attend and vote at the EGM, all instruments of transfer together with the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716,17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4: 30 p.m. on Monday, 7 September 2026. The record date for attending and voting at the EGM is Friday, 11 September 2026.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

6. A form of proxy for the EGM is enclosed. In order to be valid, the form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

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

8. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

9. The English text of this notice of EGM shall prevail over the Chinese text in case of inconsistency.

10. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the Company's website at www.cre8ir.com/longhui/ and the website of the Stock Exchange at www.hkexnews.hk to notify members of the date, time and place of the rescheduled EGM.

11. If any member has any particular access requirements or needs special arrangements for participating at the meeting, please contact the Hong Kong branch share registrar and transfer office of the Company.

12. As at the date hereof, the Board comprises three executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen and Mr. Yuan Mingjie; and three independent non-executive Directors, namely Mr. Tam Bing Chung Benson, Mr. Cheung Ting Pong and Ms. Leung Chee Wai Mochi.