

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 or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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RISECOMM

瑞斯康

RISECOMM GROUP HOLDINGS LIMITED

瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1679)

**(1) CONNECTED TRANSACTIONS IN RELATION TO
ISSUE OF CAPITALISATION SHARES AND CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Placing Agent



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



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

A letter from the Board is set out on pages 8 to 51 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 52 to 53 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 54 to 100 of this circular.

A notice convening the EGM to be held at Units 5906–5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 17 September 2026 at 10:30 a.m. is set out on pages EGM-1 to EGM-7 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. Tuesday, 15 September 2026 at 10:30 a.m.) for the EGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

31 August 2026

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DEFINITIONS

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

“Announcements”	the announcements of the Company dated 27 May 2026 and 3 June 2026 in relation to the Loan Capitalisation and the Placing
“associate(s)”	has the meaning as ascribed to it/them under the Listing Rules
“Board”	the board of Directors
“Bonds”	the GEOS Bond, the GL Bond, the Haihua Bond, the Linker Bond and the NJ Bond
“Business Day”	a day on which banks are open for ordinary banking business in Hong Kong (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“Capitalisation Share(s)”	the 69,816,957 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the Loan Capitalisation Agreements
“CL Loan”	the loan due from the Company to Clear Jolly, the outstanding principal amount and accrued interest of which amounted to approximately HK\$5,826,600 as at the date of the Placing Agreement
“Clear Jolly”	Clear Jolly Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party
“Company”	Risecomm Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1679)
“Connected Loan Capitalisation Agreements”	the GL Loan Capitalisation Agreement, the Linker Loan Capitalisation Agreement and the NJ Loan Capitalisation Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Conversion Share(s)”	a maximum of 279,267,825 new Shares to be allotted and issued by the Company to the Subscribers upon exercise of the conversion rights of the Bonds
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve, if thought fit, the Loan Capitalisation Agreements and the transactions contemplated thereunder, and the grant of the Specific Mandate
“FXQ Loan”	the loan due from the Company to Ms. Fu, the outstanding principal amount and accrued interest of which amounted to approximately HK\$33,198,900 as at the date of the Placing Agreement
“GEOS”	GEOS Technology (HK) Limited, a company incorporated in Hong Kong with limited liability
“GEOS Bond”	the zero coupon convertible bond due on the date falling on the thirty-six (36) months of its issue date to be issued by the Company to GEOS in the principal amount of HK\$3,448,800
“GEOS Loan”	the loan due from the Company to GEOS, the outstanding principal amount and accrued interest of which amounted to approximately RMB3,735,000 as at the date of the GEOS Loan Capitalisation Agreement
“GEOS Loan Capitalisation Agreement”	the loan capitalisation agreement entered into between GEOS and the Company on 27 May 2026
“GL Bond”	the zero coupon convertible bond due on the date falling on the thirty-six (36) months of its issue date to be issued by the Company to Ms. Guo in the principal amount of HK\$10,846,400
“GL Loan”	the loan due from the Company to Ms. Guo, the outstanding principal amount and accrued interest of which amounted to approximately RMB11,748,000 as at the date of the GL Loan Capitalisation Agreement
“GL Loan Capitalisation Agreement”	the loan capitalisation agreement entered into between Ms. Guo and the Company on 27 May 2026
“Group”	the Company and its subsidiaries

DEFINITIONS

“Haihua”	Haihua (HK) New Energy Development Limited (海華(香港)新能源應用開發有限公司), a company incorporated in Hong Kong with limited liability
“Haihua Bond”	the zero coupon convertible bond due on the date falling on the thirty-six (36) months of its issue date to be issued by the Company to Haihua in the principal amount of HK\$3,319,200
“Haihua Loan”	the loan due from the Company to Haihua, the outstanding principal amount and accrued interest of which amounted to approximately HK\$4,149,000 as at the date of the Haihua Loan Capitalisation Agreement
“Haihua Loan Capitalisation Agreement”	the loan capitalisation agreement entered into between Haihua and the Company on 27 May 2026
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors
“Independent Financial Adviser”	Mango Financial Limited (芒果金融有限公司), a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholder(s) other than those who are required under the Listing Rules to abstain from voting on the resolutions to be proposed at the EGM
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and its connected person(s)
“Latest Practicable Date”	27 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Linker”	Linker Union Limited (聯嘉有限公司), a company incorporated in Hong Kong with limited liability, which is wholly owned by Mr. Ning

DEFINITIONS

“Linker Bond”	the zero coupon convertible bond due on the date falling on the thirty-six (36) months of its issue date to be issued by the Company to Linker in the principal amount of HK\$96,820,800
“Linker Loan”	the loan due from the Company to Linker, the outstanding principal amount and accrued interest of which amounted to approximately HK\$121,026,000 as at the date of the Linker Loan Capitalisation Agreement
“Linker Loan Capitalisation Agreement”	the loan capitalisation agreement entered into between Linker and the Company on 27 May 2026
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Capitalisation”	the allotment and issue of the Capitalisation Shares and the Bonds by the Company to the Subscribers
“Loan Capitalisation Agreements”	the GEOS Loan Capitalisation Agreement, the GL Loan Capitalisation Agreement, the Haihua Loan Capitalisation Agreement, the Linker Loan Capitalisation Agreement and the NJ Loan Capitalisation Agreement
“Loan Capitalisation Completion”	completion of the transactions under the respective Loan Capitalisation Agreements pursuant to the terms and conditions thereunder
“Loan Capitalisation Long Stop Date”	30 September 2026 or such later date as the Company and the Subscribers may agree in writing
“Loan Capitalisation Price”	the subscription price of HK\$0.46 per Capitalisation Share and the conversion price of HK\$0.46 per Conversion Share
“Mr. Ning”	Mr. Ning Jun (寧軍), a director of each of Risecomm Shenzhen and Risecomm Wuxi which are members of the Group and a connected person of the Company
“Ms. Fu”	Ms. Fu Xiaoqin (傅小芹), a creditor and shareholder of the Company
“Ms. Guo”	Ms. Guo Lei (郭磊), a non-executive Director of the Company and a connected person of the Company
“Ms. Zhu”	Ms. Zhu Deyun (朱德雲), director of two wholly-owned subsidiaries of the Company, namely Zhongyi BVI and Zhongyi (Hong Kong) International Limited

DEFINITIONS

“NJ Bond”	the zero coupon convertible bond due on the date falling on the thirty-six (36) months of its issue date to be issued by the Company to Mr. Ning in the principal amount of HK\$14,028,000
“NJ Loan”	the loan due from the Company to Mr. Ning, the outstanding principal amount and accrued interest of which amounted to approximately RMB15,194,000 as at the date of the NJ Loan Capitalisation Agreement
“NJ Loan Capitalisation Agreement”	the loan capitalisation agreement entered into between Mr. Ning and the Company on 27 May 2026
“Placees”	any professional, institutional or other investors who are Independent Third Parties, with whom the Placing Agent procures, on best effort basis, to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares (i.e. a maximum of 85,869,565 new Shares), on a best effort basis, procured by the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	GEO Securities Limited (智易東方證券有限公司), a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent on 27 May 2026 in relation to the Placing
“Placing Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“Placing Long Stop Date”	30 September 2026 or such later date as the Company and the Placing Agent may agree in writing
“Placing Price”	HK\$0.46 per Placing Share
“Placing Share(s)”	a maximum of 85,869,565 new Shares to be placed under the Placing Agreement

DEFINITIONS

“PRC” or “China”	The People Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to the “PRC” or “China” exclude Taiwan, Macau Special Administrative Region and Hong Kong
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Risecomm Shenzhen”	Risecomm Microelectronics (Shenzhen) Co., Ltd.* (瑞斯康微電子(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Risecomm Wuxi”	Wuxi Risecomm Communication Technology Co. Ltd.* (無錫瑞斯康通信技術有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.005 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	the specific mandate proposed to be considered, approved and granted by the Shareholders at the EGM to authorise the Board to allot and issue and/or deal in the Capitalisation Shares, the Conversion Shares and the Placing Shares
“SRA”	Software Research Associates, Inc., a company incorporated in Japan and an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	GEOS, Haihua, Linker, Mr. Ning and Ms. Guo, and “Subscriber” can be construed as any one of them
“Subscriber Loan(s)”	the GEOS Loan, the GL Loan, the Haihua Loan, the Linker Loan and the NJ Loan
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong

DEFINITIONS

“Zhongjia Xinda”	Zhongjia Xinda Investment Co., Ltd.* (中嘉信達投資有限公司), a company established in the PRC with limited liability. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Mr. Ding Zhigang, a former non-executive Director, held more than 50% of the issued shares of Zhongjia Xinda
“Zhongyi BVI”	Zhongyi (BVI) International Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company
“%”	per cent.

* For identification purposes only.



RISECOMM

瑞斯康

RISECOMM GROUP HOLDINGS LIMITED

瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1679)

Executive Directors:

Mr. Tsang Wah Tak, Brian

Ms. Ye Bailing

Non-executive Directors:

Mr. Yu Lu

Ms. Guo Lei

Independent Non-executive Directors:

Mr. Victor Yang

Ms. Lo Wan Man

Mr. Zou Heqiang

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Headquarters, head office and principal
place of business in Hong Kong:*

Unit 3102, 31/F

AIA Kowloon Tower, Landmark East

100 How Ming Street, Kwun Tong

Kowloon, Hong Kong

31 August 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTIONS IN RELATION TO
ISSUE OF CAPITALISATION SHARES AND CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;**

**(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
AND**

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Loan Capitalisation and the Placing.

The purpose of this circular is to provide you with, among other things, (i) details of the Loan Capitalisation Agreements, the Placing Agreement and the transactions contemplated thereunder; (ii) recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to

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the Independent Board Committee and the Independent Shareholders in relation to the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder; (iv) a notice to convene the EGM.

2. THE LOAN CAPITALISATION AGREEMENTS

On 27 May 2026 (after the Stock Exchange trading hours), the Company and the Subscribers entered into the Loan Capitalisation Agreements, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe, the Capitalisation Shares and the Bonds, for settlement of the Subscriber Loans.

Date: 27 May 2026 (after the Stock Exchange trading hours)

Parties: (i) the Company, as the issuer; and
(ii) the Subscribers, as the subscribers.

Under the Loan Capitalisation Agreements, the Subscribers will subscribe (i) 69,816,957 Capitalisation Shares in aggregate at the price of HK\$0.46 per Share; and (ii) the Bonds in the principal amount of HK\$128,463,200, which are convertible into an aggregate of 279,267,825 Conversion Shares at the price of HK\$0.46 per Share. Upon the Loan Capitalisation Completion, all liabilities under the Subscriber Loans shall be deemed fully paid, settled and discharged.

Loan Capitalisation Price

The Loan Capitalisation Price of HK\$0.46 represents:

- (a) a discount of approximately 11.54% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on 27 May 2026, being the date of the Loan Capitalisation Agreements;
- (b) a discount of approximately 13.21% to the average closing price of HK\$0.53 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the Loan Capitalisation Agreements;
- (c) a discount of approximately 18.87% to the average closing price of HK\$0.567 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately preceding the Loan Capitalisation Agreements; and
- (d) a discount of approximately 60.68% to the closing price of HK\$1.17 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

LETTER FROM THE BOARD

Determination basis of the Loan Capitalisation Price

The Loan Capitalisation Price of HK\$0.46 per Share was determined after arm's length negotiations between the Company and the Subscribers taking into account (i) the recent trading performance of the Shares, which has been rather volatile during the six months period prior and up to the date of the Loan Capitalisation Agreements (the "**Review Period**"). During the Review Period, the Shares have been generally trading between HK\$0.39 and HK\$0.65 with an average closing Share price of approximately HK\$0.50 up to 14 April 2026, then the Share price swiftly rose to the peak of HK\$0.97 on 20 April 2026, but then lost momentum and has been on a downward trend since then up to the date of the Loan Capitalisation Agreements; (ii) the recent market conditions, with the Hang Seng Index being rather volatile, fluctuating between the lowest point of 24,382 and the highest point of 27,968 during the Review Period, and dropping approximately 1.2% over the entire period; and (iii) the current financial position and the business prospects of the Group, considering the revenue of the Group having dropped approximately 24.3% for the year ended 31 December 2025 and that the Group had been making losses for the three years ended 31 December 2025, while the Group recorded total deficit of approximately RMB54.2 million as at 31 December 2025. Looking forward, the Group is still expecting to face various challenges, such as intensifying downside risks which dominate the economic outlook, uncertainties such as rebound in effective tariff rates, heightened policy uncertainty, and geopolitical tensions may further exacerbate market volatility. Based on the aforesaid, given the Group's financial position, the imminent needs to settle certain outstanding loans and the Company's limited financial resources, the Directors considered a discount to the prevailing market price would be necessary to incentivise the Subscribers to agree on the terms of the Loan Capitalisation.

It is noted that subsequent to the announcement of the Loan Capitalisation and the Placing on 27 May 2026 (the "**First Announcement**"), the closing price of the Shares increased from HK\$0.52 on 27 May 2026 to HK\$0.90 on 28 May 2026 and further to HK\$1.17 on the Latest Practicable Date. The Loan Capitalisation Price was determined taking into account the circumstances leading to the proposed debt restructuring and prior to the First Announcement, including the factors as discussed above. The post-First Announcement Share price performance is believed to have reflected the market's responses to the proposed Loan Capitalisation and the Placing, including the anticipated improvement in the Group's liquidity position and capital structure if the transactions were completed. There is no guarantee that the current Share price may sustain if the Loan Capitalisation and the Placing do not proceed and the Group's financial condition does not improve.

Further, in addition to the aforesaid principal factors, as an alternative reference, the Company has identified and made reference to four market transactions (excluding outlier) involving subscription and issue of new shares (not A shares or PRC domestic shares) for loan/debt capitalisation announced by issuers on the Stock Exchange between January 2026 and May 2026 prior to the date of the Loan Capitalisation Agreements, all of which were completed as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Board considers that the adoption of selection period of approximately five months is appropriate as it demonstrates the recent market trends with reasonable and representative number of recent comparable transactions in the market as reference. Despite that the business and the prospects of the Company are not the same as the issuers of these market transactions, they provide a general reference for the market practices of transactions of similar nature during the relevant period. Below table sets forth the details of relevant comparable market transactions (including the outlier):

Issuer	Date of announcement	Transaction nature	(Discount)/Premium rate (compared to closing price as of the date when relevant transaction agreements were entered into)	(Discount)/Premium rate (compared to average closing price for the last five consecutive trading days immediately preceding the date of relevant transaction agreements)
<i>Comparable transactions for analysis purpose</i>				
China Qidian Guofeng Holdings Limited (stock code: 1280)	6 January 2026	Debt capitalisation and issue of new shares	(15.73)%	(14.72)%
Alpha Professional Holdings Limited (stock code: 948)	12 February 2026	Debt capitalisation and issue of new shares	(15.15)%	(20.68)%
China HK Power Smart Energy Group Limited (stock code: 931)	5 March 2026	Debt capitalisation and subscription of new shares	0%	(0.27)%
AOM International Group Company Limited (stock code: 381)	2 April 2026	Loan capitalisation and subscription of new shares.	(19.40)%	(20.35)%
<i>Outlier and excluded for analysis purpose</i>				
Shimao Group Holdings Limited (stock code: 813) (Note)	15 May 2026	Debt capitalisation and issue of new shares	3,770%	3,659.4%

Note: This transaction is considered an outlier due to the exceptionally high price premium.

LETTER FROM THE BOARD

The loan capitalisation prices of the above comparable market transactions represented (i) an average discount rate of approximately 12.57% of the closing price quoted on the Stock Exchange of relevant issuers as at the date of relevant transaction agreements, and (ii) an average discount rate of approximately 14.01% of the closing prices quoted on the Stock Exchange of relevant issuers for the last five (5) consecutive trading days immediately preceding the date of relevant transaction agreements. The respective discount rates of the Loan Capitalisation Price of approximately 11.54% and 13.21% are below that of the market transactions. Accordingly, the Board is of the view that the Loan Capitalisation Price is in line with the market.

The Directors (including the independent non-executive Directors after considering the advice from the Independent Financial Adviser but excluding Ms. Guo who is considered to have material interest in the Loan Capitalisation) are of the view that the Loan Capitalisation Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Capitalisation Shares and Conversion Shares

The Capitalisation Shares represent (i) approximately 32.35% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 24.44% of the number of Shares in issue as enlarged by the allotment and issue of the Capitalisation Shares, assuming there will be no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Capitalisation Shares.

Based on (i) 215,813,840 Shares in issue as at the Latest Practicable Date; and (ii) 279,267,825 Conversion Shares to be issued and allotted upon full conversion of the Bonds, 279,267,825 Conversion Shares will represent (i) approximately 129.40% of the total number of Shares in issue as at the Latest Practicable Date; (ii) approximately 49.44% of the number of Shares in issue as enlarged by the allotment and issue of the Capitalisation Shares and the Conversion Shares.

The aggregate nominal value of the Capitalisation Shares (with a par value of HK\$0.005 each) is HK\$349,084.79. The aggregate nominal value of the Conversion Shares (with a par value of HK\$0.005 each) is HK\$1,396,339.13 upon full conversion of the Bonds.

The Capitalisation Shares and Conversion Shares will rank, upon issue, *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of the Capitalisation Shares and Conversion Shares.

LETTER FROM THE BOARD

Principal terms of Bonds

The principal terms of the Bonds are set out as follows:

Issuer:	The Company
Principal amount:	(i) GEOS Bond HK\$3,448,800
	(ii) GL Bond HK\$10,846,400
	(iii) Haihua Bond HK\$3,319,200
	(iv) Linker Bond HK\$96,820,800
	(v) NJ Bond HK\$14,028,000
Interest:	Nil
Maturity Date:	The date falling on the third anniversary of the date of issue of the Bonds (“ Maturity Date ”).
Conversion Period:	The period commencing from the date on which the Bonds are issued to the Subscribers up to and including the Maturity Date (“ Conversion Period ”).
Conversion right and restriction:	The Subscribers shall have the right at any time during the Conversion Period to convert all or any part of the outstanding principal amount of Bonds subject to the extent that: (i) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules for the minimum percentage of Shares being held by the public); and

LETTER FROM THE BOARD

- (ii) the conversion of the Bonds does not result in the holders of the Bonds and/or the parties acting in concert with any of them and/or their respective associates being interested in such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the holder(s) of the Bonds which exercised the conversion rights unless a whitewash waiver is granted by the Securities and Futures Commission of Hong Kong for such purpose or the holder(s) of the Bonds shall fulfill the mandatory general offer obligation under Rule 26 of the Takeovers Code.

Transferability:

The Subscribers may transfer the Bonds in whole or in part to other persons provided that no transfer of the Bonds shall be made to any connected persons of the Company, and compliance with the Listing Rules and all applicable laws and regulations.

Conversion Price adjustments:

The initial conversion price of HK\$0.46 per Share shall be subject to adjustment upon the occurrence of the following events:

- (i) Consolidation, subdivision or reclassification of Shares

If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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

Where:

A = the nominal amount of one Share immediately after such alteration; and

B = the nominal amount of one Share immediately before such alteration. Such adjustment shall become effective on the date the alteration takes effect.

LETTER FROM THE BOARD

(ii) Capitalisation of profits or reserves

If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves including, Shares paid up out of distributable profits or reserves and/ or share premium account save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a distribution (or, a scrip dividend), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such issue by the following fraction:

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

Where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

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

Such adjustment shall become effective on the day on which the Shares are issued or if a record date is fixed therefor, immediately after such record date.

(iii) Distribution

If and whenever the Company shall pay or make any distribution to the Shareholders (except to the extent that the conversion price falls to be adjusted under condition of capitalisation of profits or reserves as stated in (ii) above), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such distribution by the following fraction:

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

LETTER FROM THE BOARD

Where:

A = the current market price on the last trading day preceding (a) the date on which the distribution is publicly announced or (b) (where no such announcement is required to be made under the Listing Rules) the record date of the distribution; and

B = the fair market value on the date of such announcement (or, where no such announcement is required to be made under the Listing Rules, such record date) of the portion of the distribution attributable to one Share.

Such adjustment shall become effective on the date that such distribution is made. For the avoidance of doubt, distribution excludes all cash distributions paid to the Shareholders.

(iv) Rights issues of Shares or options over Shares

If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares (other than options granted by the Company pursuant to a share option scheme), in each case at less than 75% of the current market price per Share on the date of the announcement of the terms of the issue or grant, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such issue or grant by the following fraction:

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

LETTER FROM THE BOARD

Where:

A = the number of Shares in issue immediately before such announcement;

B = the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such current market price per Share; and

C = the aggregate number of Shares issued or, as the case may be comprised in the issue or grant.

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

(v) Rights issues of other securities

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

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

LETTER FROM THE BOARD

Where:

A = the current market price of one Share on the last trading day proceeding the date on which such issue or grant is publicly announced; and

B = the fair market value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be).

(vi) Issue of further Shares or securities

If and whenever the Company shall issue any Shares, whether for cash or non-cash consideration (other than Shares issued on the exercise of conversion rights) or the issue or grant of options, warrants or other rights to subscribe for or purchase Shares or securities convertible or exchangeable into Shares, in each case at a price per Share which is less than 75% of the current market price on the last trading day preceding the date of announcement of the terms of such issue or grant, the conversion price shall be adjusted by multiplying the prevailing conversion price in force immediately before such issue or grant by the following fraction:

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

LETTER FROM THE BOARD

Where:

A = the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B = the number of Shares which the aggregate consideration receivable by the Company for the issue of such additional Shares would purchase at such current market price per Share; and

C = the aggregate number of such additional Shares comprised in the issue or the additional Shares to be issued upon full exercise of such options, warrants or other rights to subscribe for or purchase Shares comprised in the grant (as the case may be).

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

- Conversion Shares: A maximum of 279,267,825 new Shares
- Redemption at maturity: Upon the expiry of the initial three-year tenor of the Bonds, the Company shall have the sole discretion to extend the Maturity Date for another 6-month period by serving written notice to the holders of the Bonds one Business Day before the Maturity Date. Unless previously converted or cancelled, any part of the Bonds which are not converted by the holders of the Bonds during the Conversion Period, shall be redeemed by the Company on the Maturity Date in cash by paying such redemption amount which equals to the entire principal amount of the Bonds (or such outstanding part thereof, whichever shall be appropriate).
- Voting: The holders of the Bonds shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of Bonds.
- Application for listing: No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.

LETTER FROM THE BOARD

Conditions precedent

Completion of each of the Loan Capitalisation Agreement is conditional upon satisfaction or the waiver (as the case may be) of the following conditions precedent:

- (a) the Listing Committee of the Stock Exchange having granted approval for the listing of and permission to deal in the Capitalisation Shares and the Conversion Shares, and such approval not having been revoked before the Loan Capitalisation Completion;
- (b) the approval of the Loan Capitalisation Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for the allotment and issue of the Capitalisation Shares and the Conversion Shares upon exercise of conversion rights of the Bonds to the Subscribers, by the Independent Shareholders at the EGM;
- (c) there has been no material breach of any representations, warranties or agreements by any parties to the Loan Capitalisation Agreements prior to the Loan Capitalisation Completion; and
- (d) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Loan Capitalisation Agreements and the transactions contemplated thereunder having been obtained.

Save for condition precedent (c) above which can be waived by the Subscribers by notice in writing to the Company, none of the above conditions precedent may be waived by the Company or the Subscribers. In the event that the conditions precedent are not fulfilled on or before the Loan Capitalisation Long Stop Date, the Loan Capitalisation Agreements and all rights and obligations thereunder will cease and terminate and neither of the Company nor the Subscribers will have any claim against the other for costs, damages, compensation or otherwise.

As at the Latest Practicable Date, none of the above conditions had been satisfied.

LETTER FROM THE BOARD

Completion

The Loan Capitalisation Completion will take place on or before the tenth (10) Business Day after the satisfaction or the waiver (as the case may be) of all the above conditions precedent (or such other date as the Company and the Subscribers may agree in writing). The Loan Capitalisation Agreements are not inter-conditional.

As the Group's current financial conditions indicate a material uncertainty as to the Group's ability to repay its debts as well as to continue as a going concern in view of the Disclaimer of Opinion (as defined below in this circular), both the Company and the Subscribers are eager to complete the Loan Capitalisation Agreements and, subject to the Shareholders' approval, the parties do not expect any unforeseeable circumstances which may create obstacles to the Loan Capitalisation Completion. In case of any unforeseeable event which may render completion of any Loan Capitalisation Agreements not to proceed, the Company intends to resume discussion with relevant creditors for extension of loan repayment, and will discuss with the Shareholders for any feasible financing solution including provision of Shareholders' loans.

Although the Loan Capitalisation Agreements entitle the signing parties a discretion to extend the date for the Loan Capitalisation Completion, (i) such terms are solely for the purpose of administrative flexibility in allowing the parties time buffer in case of circumstances under which parties may need some more time for administrative issues in proceeding to completion, including finalisation and execution of completion documents, processing of the allotment and issuance of the relevant securities, and the relevant settlement and clearing arrangements; (ii) any time extension under point (i) as aforesaid are not expected to be a material delay which may be detrimental to the Loan Capitalisation, the Company and its Shareholders as a whole; and (iii) the Company and the Subscribers are eager to complete the Loan Capitalisation Agreements in view of the current financial position of the Group and, subject to the Shareholders' approval, the parties do not expect any unforeseeable circumstances which may create obstacles to the completion. In case there are any unforeseeable circumstances for which the parties are unable to complete the Loan Capitalisation after obtaining Shareholders' approval at the EGM, or there is any material variation of the terms of any Loan Capitalisation Agreements, the Company will re-submit the transactions to the Independent Shareholders for approval and comply with other applicable requirements under the Listing Rules.

LETTER FROM THE BOARD

3. INFORMATION ABOUT THE SUBSCRIBER LOANS AND THE SUBSCRIBERS

The Subscriber Loans

Details of respective Subscriber Loans are set out as below:

(i) *GEOS Loan*

Creditor : GEOS

Date of loan agreement : Original loan agreement was entered into between Beijing Jianxin Chuangda Technology Co. Ltd.* (北京鍵鑫創達科技有限公司) (“**Jianxin Chuangda**”), a subsidiary of the Company as borrower and Zhongjia Xinda as lender dated 20 June 2024, and supplemented by supplemental loan agreements dated 20 September 2025 and 20 April 2026, respectively (the “**ZX Loan**”). Jianxin Chuangda is engaged in smart manufacturing in the automotive business of the Group. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Mr. Ding Zhigang, a former non-executive Director, held more than 50% of the issued shares of Zhongjia Xinda at time of entering into the original loan agreement. The ZX Loan was assigned to GEOS pursuant to the loan assignment agreement on 22 May 2026 (the “**GEOS Loan Assignment**”). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, there is no relationship between Zhongjia Xinda and GEOS and their respective ultimate beneficial owners. Pursuant to the GEOS Loan Assignment, Zhongjia Xinda has agreed to assign and transfer the ZX Loan, including the principal amount and interest in an aggregate of approximately RMB3,735,000, and all rights thereto (including any conversion right) to GEOS.

Other counterparty : (i) Mr. Tang Antong (唐安東), a director of Hongten Technology Limited (鴻騰科技有限公司), a wholly-owned subsidiary of the Company; and (ii) Mr. Zhang Zipeng (張子鵬), legal representative of Jianxin Chuangda, both have undertaken to guarantee the repayment of the ZX Loan.

LETTER FROM THE BOARD

Original loan amount (*as at the date of entering into the original loan agreement*) : RMB3,000,000 (not secured by assets of the Group)

Reasons for borrowing : To increase financial flexibility and reserve sufficient working capital.

Actual usage of the loan : As general working capital for purchasing goods and salary payment of Jianxin Chuangda.

Interest rate : 12% per annum

Due date : The original repayment date on 19 September 2024 was extended to 19 September 2026.

Outstanding balance (*as at the date of the GEOS Loan Capitalisation Agreement*) : (a) Outstanding principal: RMB3,450,000 (*Principal amount increased to RMB3,450,000 pursuant to supplemental loan agreement dated 20 September 2025*)

(b) Outstanding interest balance: RMB284,900

(c) Amount repaid: Nil

(ii) *GL Loan*

Creditor : Ms. Guo

Borrower : The Company

Date of loan agreement : Original loan agreement dated 24 November 2023, and supplemented by supplemental loan agreement dated 20 January 2025.

Other counterparty : N/A

Original loan amount (*as at the date of entering into the original loan agreement*) : RMB13,000,000 (not secured by assets of the Group)

LETTER FROM THE BOARD

Reasons for borrowing	: For acquisition of 100% of the total issued shares of Zhongyi BVI from Ms. Zhu, which was completed in March 2024.
Actual usage of the loan	: The loan was applied as intended.
Interest rate	: 2.5% per annum
Due date	: The original repayment date on 23 November 2025 was extended to 28 November 2026.
Outstanding balance (<i>as at the date of the GL Loan Capitalisation Agreement</i>)	(a) Outstanding principal: RMB11,006,700 (b) Outstanding interest balance: RMB741,000 (c) Amount repaid: RMB1,993,300 (principal)

(iii) Haihua Loan

Creditor	: Haihua
Borrower	: The Company
Date of loan agreement	: Two loan agreements dated 12 March 2025 and 30 June 2025, respectively.
Other counterparty	: N/A
Original loan amount (<i>as at the date of entering into the original loan agreement</i>)	: HK\$4,000,000 (<i>HK\$2,000,000 pursuant to loan agreement dated 12 March 2025 and HK\$2,000,000 pursuant to loan agreement dated 30 June 2025. The loan was not secured by assets of the Group.</i>)
Reasons for borrowing	: As general working capital or for repayment of existing debts of the Company.

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As at 31 December 2024, the Group recorded bank and cash balances of approximately RMB15.2 million, current bank and other borrowings of approximately RMB190.2 million, net current liabilities of approximately RMB181.0 million and total deficit of approximately RMB111.3 million. The Company had considered obtaining financing from banks and/or other financial institutions. However, given the Group's then financial position, including its weak liquidity position, existing indebtedness and lack of sufficient assets acceptable to banks or financial institutions as collateral, the Company considered that it would be difficult and time-consuming to obtain bank financing on commercially acceptable terms. In particular, the Company was not in a position to provide a satisfactory security package or collateral required by banks or financial institutions for new borrowings. Even if bank financing could be obtained, it would likely involve additional conditions precedent, security requirements, due diligence, approval procedures and longer lead time, which might not have met the Group's urgent funding requirements at the relevant time.

Haihua, which is owned by Mr. Zhang Yunlong (張雲龍) (“**Mr. Zhang**”), has established long term business relationship with the Group. The Group provides maintenance services for five companies operating wind farms in the PRC which are owned by Mr. Zhang. Mr. Zhang was familiar and confident with the Group's business, hence was willing to provide unsecured loans to the Company without requiring any collateral. The loans from Haihua were therefore more commercially practicable and could be made available to the Company within a shorter timeframe as compared with bank or institutional financing.

Actual usage of the loan	:	As general working capital for purchasing goods and salary payment, and repayment of debts due by 30 June 2026 of the Group.
Interest rate	:	3.5% per annum
Due date	:	30 December 2026

LETTER FROM THE BOARD

Outstanding balance (as : (a) Outstanding principal: HK\$4,000,000
at the date of the
Haihua Loan (b) Outstanding interest balance: HK\$148,430
Capitalisation
Agreement) (c) Amount repaid: Nil

(iv) *Linker Loan*

Creditor : Linker

Borrower : (i) The Company; (ii) Risecomm Co., Ltd. (“**Risecomm Cayman**”), a direct wholly-owned subsidiary of the Company; and (iii) Risecomm (HK) Technology Co. Limited (“**Risecomm HK**”), an indirect wholly-owned subsidiary of the Company.

Date of loan agreement : See “Reasons for borrowing” below regarding the convertible bonds issued to SRA. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, there is no relationship between SRA and Linker and their respective ultimate beneficial owners. The SRA Loan (as defined below) was assigned to Linker pursuant to the loan assignment agreement on 18 May 2026 (the “**Linker Loan Assignment**”). Pursuant to the Linker Loan Assignment, SRA has agreed to assign all the rights and obligations of the SRA Loan including the claim of the principal amount and the relevant interests in the aggregate amount of approximately HK\$121,025,700 to Linker.

Other counterparty : N/A

Original loan amount (as : HK\$120,000,000 (Securities provided for the loan
at the date of entering
into the original loan
agreement) : included (i) Risecomm Cayman and Risecomm HK be jointly and severally liable for all debts; (ii) two post-dated cheques (as a kind of collaterals to SRA) each with an amount of HK\$15,000,000, with settlement dates on 30 September 2022 and 31 January 2023; and (iii) share pledge over all shares of Risecomm Cayman and Risecomm HK)

LETTER FROM THE BOARD

Reasons for borrowing : The Company issued fixed rate senior convertible bonds to SRA in the aggregate principal amount of HK\$150,000,000 at a rate of 4% per annum on 13 August 2018 (the “**SRA CB**”). Before the maturity date, the Company repaid principal amount of HK\$30,000,000 and all interests accrued.

Due to the lack of sufficient funds to redeem the SRA CB, SRA and the Company agreed to restructure the debt into a secured loan and applied interest rate of 3.6% per annum for the outstanding principal amount of HK\$120,000,000 (the “**SRA Loan**”). SRA as lender, and the Company, Risecomm Cayman and Risecomm HK, as borrowers, entered into a repayment agreement on 2 September 2022 accordingly. The parties further entered in supplemental repayment agreement on 11 August 2023 and 11 August 2025, respectively.

The SRA CB was intended to be used for acquisition of Beijing Hongteng Weitong Technology Co., Ltd. (北京鴻騰偉通科技有限公司) and supported general working capital requirements.

Actual usage of the loan : The funds from the SRA CB were applied as intended.

Interest rate : Before 11 August 2025, interest of the SRA Loan was 2.5% per annum, and thereafter 3.15% per annum. After 12 February 2026, the interest rate of the SRA Loan is 3.6% per annum.

Due date : 11 August 2033

Outstanding balance (*as at the date of the Linker Loan Capitalisation Agreement*) : (a) Outstanding principal: HK\$120,000,000
(b) Outstanding interest balance: HK\$1,025,700
(c) Amount repaid: HK\$1,905,500 (interest)

(v) *NJ Loan*

Creditor : Mr. Ning

Date of loan agreement : 18 March 2024

Other counterparty : N/A

LETTER FROM THE BOARD

Original loan amount (*as at the date of entering into the original loan agreement*) : RMB22,500,000 (not secured by assets of the Group)

Reasons for borrowing : For acquisition of 100% of the total issued shares of Zhongyi BVI from Ms. Zhu, which was completed in March 2024.

Mr. Ning had been a Shareholder prior to the NJ Loan. In June 2023, Mr. Ning held approximately 9.52% of the issued share capital of the Company. His shareholding percentage was subsequently diluted mainly as a result of the increase in the issued share capital of the Company following subsequent equity fundraisings and corporate actions of the Company. Accordingly, although Mr. Ning held approximately 1.18% of the issued share capital of the Company at the time of entering into the NJ Loan, he had been an existing Shareholder and was familiar with the Group before the NJ Loan was entered into. In view of Mr. Ning's existing shareholder relationship with the Company, his familiarity with the Group and his support for the Group's business development, the Company approached Mr. Ning for funding support for the acquisition of Zhongyi BVI.

Actual usage of the loan : The loan was applied as intended.

Interest rate : 3.5% per annum

Due date : 25 March 2026

Outstanding balance (*as at the date of the NJ Loan Capitalisation Agreement*) :

- (a) Outstanding principal: RMB13,638,300
- (b) Outstanding interest balance: HK\$1,555,300
- (c) Amount repaid: HK\$8,861,700 (principal)

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The following summary table sets out the number and principal amount of Capitalisation Shares and Bonds to be issued to each of the Subscribers and amount of Subscriber Loans to be settled with each of the Subscribers.

Subscriber	Number of relevant Capitalisation Shares to be issued to the Subscriber	Principal amount of relevant Bonds to be issued to the Subscriber	Amount of Subscriber Loans to be settled with the Subscriber <i>(Note)</i>
GEOS	1,874,348	HK\$3,448,800	HK\$4,311,000
Ms. Guo	5,894,783	HK\$10,846,400	HK\$13,558,000
Haihua	1,803,913	HK\$3,319,200	HK\$4,149,000
Linker	52,620,000	HK\$96,820,800	HK\$121,026,000
Mr. Ning	7,623,913	HK\$14,028,000	HK\$17,535,000

Note: Discrepancies of respective amounts of Subscribers Loans to be settled with the Subscribers as compared to relevant outstanding principal loan amounts and interest balance under the section headed “Information about the Subscriber Loans and the Subscribers” above are solely attributable to rounding adjustments and the currency conversion between RMB and HK\$ at the exchange rate of RMB0.86649 to HK\$1 as of 27 May 2026 (i.e. date of the Loan Capitalisation Agreements).

The allocation of Capitalisation Shares and Bonds for each Subscriber was determined with reference to the outstanding Subscriber Loan amount the Group owed to each Subscriber and the mutually agreed ratio that 20% of the Subscriber Loans shall be settled with the issuance of the Capitalisation Shares and 80% of the Subscriber Loans shall be settled with the issuance of the Bonds. A ratio of 20:80 between the Capitalisation Shares and the Bonds was agreed between the Company and the Subscribers after arm’s length negotiation taking into account, among other things: (i) the need to achieve an immediate reduction in the outstanding Subscriber Loans through the issuance of the Capitalisation Shares; (ii) the potential immediate dilution effect on the existing Shareholders arising from the issuance of the Capitalisation Shares; (iii) the willingness of the Subscribers to defer the repayment of a substantial portion of the Subscriber Loans by accepting the Bonds; and (iv) the opportunity for the Company to achieve further deleveraging in the future upon conversion of the Bonds.

In determining the proportion of the Subscriber Loans to be capitalised into the Capitalisation Shares, the Company also took into account that, based on the 20:80 ratio, the aggregate shareholding of the Subscribers immediately following the issuance of the Capitalisation Shares would remain below 30% of the enlarged issued share capital of the Company. The Board considered that such arrangement would help preserve the existing shareholding structure of the Company, avoid any material immediate change thereto and limit the dilution effect on the existing Shareholders.

The Board considered that a higher proportion of Capitalisation Shares would result in a greater immediate reduction in indebtedness, but would also cause a more significant immediate dilution to the existing Shareholders and could cause a more significant immediate change in the shareholding structure of the Company. Conversely, a lower proportion of Capitalisation Shares would reduce the immediate dilution effect but would

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result in a smaller immediate reduction in the Company's indebtedness. Having balanced the above considerations, the Company and the Subscribers agreed that the 20:80 ratio represented an appropriate commercial compromise between achieving an immediate reduction in indebtedness, preserving the existing shareholding structure of the Company and limiting the immediate dilution effect on the existing Shareholders.

Although the majority of the Subscriber Loans would be settled in the form of Bonds, which are still debt in nature before any conversion, taking into account that (i) the Bonds bear no interest which will reduce the financial burden of the Group's ongoing interest repayment obligation under the Subscriber Loans and preserve cash flow for operation use of the Group; and (ii) the Bonds will become non-current liabilities of the Group as opposed the Subscriber Loans constitute current liabilities of the Group, the Directors considered that the aforesaid 20:80 ratio could effectively improve the financial position of the Group and is in the interest of the Company and the Shareholders as a whole.

The Subscribers

GEOS

GEOS, a company incorporated in Hong Kong with limited liability, is an investment holding company. GEOS is wholly owned by Mr. Huang Yuping (黃裕平) (“**Mr. Huang**”). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Huang has approximately 5.58% shareholding (directly and indirectly) in the Placing Agent but he has not participated in the management or daily operations of the Placing Agent. Save for the aforesaid, there is no relationship between GEOS and the Placing Agent.

Ms. Guo

Ms. Guo is a non-executive Director. She was appointed as an executive Director and the chairman of the Board on 5 June 2023 and has ceased to be the chairman of the Board and re-designated as a non-executive Director since 28 June 2024.

From September 2023 to June 2024, Ms. Guo was a director of Risecomm Shenzhen, Risecomm HK, Risecomm Cayman, Harvest Year Global Limited, Prime Key Holdings Limited, and was a general manager of Risecomm (HK) Holding Co. Limited. From January 2024 to June 2024, she was a director of Shangyi (BVI) International Limited. From March 2024 to June 2024, she was a director of Zhongyi BVI; and from April 2024 to June 2024, she was a director of Zhongyi (Hong Kong) International Limited. All of the aforesaid companies are subsidiaries of the Company.

Haihua

Haihua, is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding and wholly owned by Mr. Zhang. The Group provides maintenance services for five companies operating wind farms in the PRC which are owned by Mr. Zhang and these companies were among the top 10 customers of the

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Group for the financial year ended 31 December 2025. Ms. Yang Yang (楊鶯), a substantial Shareholder of the Company, has minor shareholding (approximately 1%) in one of the aforesaid companies of Mr. Zhang. Mr. Xu Qing (徐慶), spouse of Ms. Zhu, has worked for one of the aforesaid companies owned by Mr. Zhang as a senior management responsible for business operation until he left in 2023. Save for the aforesaid, Haihua and Mr. Zhang does not have other relationship with Ms. Zhu and her associates, or with the Company and its connected persons.

Save for the aforesaid, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haihua and its ultimate beneficial owner are not connected with the Company under the meaning of the Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is no agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) between the Subscribers and their respective ultimate beneficial owners and Ms. Zhu and her associates, with respect to the Loan Capitalisation, the Placing and the acquisition of Zhongyi BVI in 2024.

Linker

Linker, a company incorporated in Hong Kong with limited liability, is an investment holding company and beneficially wholly owned by Mr. Ning.

Mr. Ning

Mr. Ning joined the Group in August 2024 and is a senior management of the Group. Mr. Ning has been the executive director and general manager of Risecomm Wuxi and Risecomm Shenzhen since he joined the Group, and both companies are involved in the Group's automatic meter reading and related business. Mr. Ning holds approximately 1.18% of issued Shares as at the Latest Practicable Date.

Mr. Ning has over 30 years of experience in the real estate and energy-related fields. From 1993 to 2001, Mr. Ning worked in Shanghai Far East Group, where he successively held positions including the business development and management of the Hong Kong business department, general manager of the group's International Trade Center, and director of the real estate business. From 2001 to 2006, Mr. Ning served as the general manager of Shanghai Ruisuo Investment Co., Ltd., an oil investment company. Since 2006, Mr. Ning has been the chairman of Enrich Developments, a Canadian company engaging in trading business of elevator and auto parts. In the meantime, since 2020, Mr. Ning has also served as the chairman of Enrich Energy, another Canadian company engaging in development of smart home systems.

As at the Latest Practicable Date, save as Ms. Guo being a non-executive Director, the Company has no intention to appoint any Subscribers or their ultimate beneficial owners as the members of the Board.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, (i) there is no relationship between GEOS on one side, and the Company, its connected persons or

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other Subscribers on the other side; (ii) Ms. Guo is a non-executive Director and a connected person of the Company, and she has no relationship with other Subscribers; (iii) Haihua is an Independent Third Party who is not connected with the Company and its connected persons under the meaning of the Listing Rules, and it has no relationship with the other Subscribers; (iv) Linker is wholly owned by Mr. Ning, which a connected person of the Company, and it has no relationship with other Subscribers except Mr. Ning; and (v) Mr. Ning is a Shareholder and a connect person of the Company, and sole owner of Linker, and he has no relationship with other Subscribers except Linker.

4. THE PLACING AGREEMENT

On 27 May 2026 (after the Stock Exchange trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent conditionally agreed, on a best effort basis, to effect the Placing by procuring Placees to subscribe for a maximum of 85,869,565 Placing Shares at the Placing Price of HK\$0.46 per Placing Share.

The Loan Capitalisation and the Placing are not conditional upon each other.

Date: 27 May 2026 (after the Stock Exchange trading hours)

Parties: (i) the Company, as the issuer; and
(ii) GEO Securities Limited, as the Placing Agent.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) were not interested in any Shares.

Placees

The Placing Agent will place the Placing Shares, on a best effort basis, to not less than six Placees. The Placing Agent undertakes not to place the Placing Shares to any connected person of the Company, and shall ensure that the Placees will be the Independent Third Parties. Further, the Placing Agent undertakes that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Placing Commission

Upon the Placing Completion, the Company shall on successful basis pay to the Placing Agent a placing commission of 1% of the aggregate Placing Price of the Placing Shares which the Placing Agent has procured the Placees to subscribe for. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent, and determined with reference to, amongst other things, the market rate and the trading performance of the Shares.

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Placing Shares

Based on 215,813,840 Shares in issue as at the Latest Practicable Date, the maximum of 85,869,565 Placing Shares will represent (i) approximately 39.79% of the total number of Shares in issue as at the Latest Practicable Date; (ii) approximately 28.46% of the number of Shares in issue as enlarged by the allotment and issue of the maximum 85,869,565 Placing Shares; (iii) approximately 23.11% of the number of Shares in issue as enlarged by the allotment and issue of the maximum 85,869,565 Placing Shares and 69,816,957 Capitalisation Shares; and (iv) approximately 13.20% of the number of Shares in issue as enlarged by the allotment and issue of the maximum 85,869,565 Placing Shares, the 69,816,957 Capitalisation Shares, and maximum 279,267,825 Conversion Shares.

The aggregate nominal value of the Placing Shares (with a par value of HK\$0.005 each) is HK\$429,347.83.

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.46 represents:

- (a) a discount of approximately 11.54% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on 27 May 2026, being the date of the Placing Agreement;
- (b) a discount of approximately 13.21% to the average closing price of HK\$0.53 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the Placing Agreement;
- (c) a discount of approximately 18.87% to the average closing price of HK\$0.567 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately preceding the Placing Agreement; and
- (d) a discount of approximately 60.68% to the closing price of HK\$1.17 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

Determination basis of the Placing Price

The Placing Price of HK\$0.46 per Placing Share was determined after arm's length negotiation between the Company and the Placing Agent taking into account the reasons as set out under the paragraph headed "Determination of the Loan Capitalisation Price" above. Given the Group's financial position, the imminent needs to settle certain outstanding loans and the Company's limited financial resources, the Directors considered a discount to the prevailing market price would be necessary to incentivise the potential investors to participate in the Placing.

LETTER FROM THE BOARD

Conditions of the Placing

The Placing Completion is conditional upon the fulfillment of the following conditions:

- (a) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked;
- (b) the passing of all necessary resolution(s) at the EGM and the grant of the Specific Mandate for the issue and allotment of the Placing Shares;
- (c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (d) the Placing Agreement not being terminated in accordance with the terms thereunder before the Placing Completion.

None of the above conditions are capable of being waived. In the event that the conditions are not fulfilled by the Placing Long Stop Date or such later date as may be agreed by the Company and the Placing Agent in writing, the Placing Agreement shall terminate and all rights, obligations and liabilities of the Company and the Placing Agent thereunder in relation to the Placing shall cease and be terminated. Neither the Company nor the Placing Agent shall have any claim against the other in respect of the Placing save for any antecedent breach. Neither party shall have any right to damages for any costs and expenses that it may have incurred in connection with or arising out of the Placing Agreement.

As at the Latest Practicable Date, none of the above conditions had been satisfied.

Completion of the Placing

The Placing Completion shall take place within the third (3rd) Business Days after satisfaction of the conditions of the Placing or such other date as the Company and the Placing Agent may agree in writing.

Although the Placing Agreement entitles the signing parties a discretion to extend the date for completion of the relevant agreements, (i) such terms are solely for the purpose of administrative flexibility in allowing the parties time buffer in case of circumstances under which parties may need some more time for administrative issues in proceeding to completion, including finalisation and execution of completion documents, processing of the allotment and issuance of the relevant securities, and the relevant settlement and clearing arrangements; (ii) any time extension under point (i) as aforesaid are not expected to be a material delay which may be detrimental to the Placing, the Company and its Shareholders as a whole; and (iii) the Company and the Placing are eager to complete the Placing Agreement in view of the current financial position of the Group and, subject to the Shareholders' approval, the parties do not expect any

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unforeseeable circumstances which may create obstacles to the completion. In case there are any unforeseeable circumstances for which the parties are unable to complete the Placing after obtaining Shareholders' approval at the EGM, the Company will re-submit the transactions to the Independent Shareholders for approval and comply with other applicable requirements under the Listing Rules.

The Placing Completion and the Loan Capitalisation Completion are not inter-conditional.

Termination of the Placing Agreement

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the date of the Placing Completion upon the occurrence of any of the following events which, on a reasonable basis, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement that there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and any such new law or change may materially affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have a material effect on the business or financial position of the Group and would affect the success of the Placing; or

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- (e) any breach of any of the representations and warranties under the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date thereof and prior to the Placing Completion which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the date of the Placing Completion.

Upon the giving of notice by the Placing Agent to the Company pursuant to the Placing Agreement in view of the aforementioned termination events, all obligations of each of the parties under the Placing Agreement shall cease and be terminated and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and outstanding liabilities under the terms of the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the Latest Practicable Date.

5. INFORMATION OF THE COMPANY, EVENT LEADING TO THE LOAN CAPITALISATION AND THE PLACING, AND REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION AND THE PLACING

The Company

The Group is principally engaged in the design, development and sale of power line communication products (the “**PLC**”) and the provision of relevant maintenance services in connection with the deployment and upgrades of automated meter reading systems of power grid companies in the PRC and for a wide range of applications related to energy saving and environmental protection (the “**AMR Business**”). The PLC products of the Group are mainly used in the Electric Energy Data Acquisition System of the State Smart Grid, which is an important support for big data. The Group is also engaged in the sales of software license, production safety products, construction contracts and the provision of software post-contract customer support services in connection with the smart manufacturing and industrial automation applied in the area of maintenance and safety integrity system in the petroleum and petrochemicals industry (the “**SMIA Business**”). The Group also engages in the wind farm operation and maintenance business (the “**WFOM Business**”) including the support operation of wind power facilities, technical support, equipment inspection, performance optimisation, and regulatory compliance management to enhance the reliability and efficiency of wind farm operations

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Events leading to the Loan Capitalisation and the Placing

In early February 2026, Ms. Fu requested the Company to repay the accrued interest of approximately HK\$2.1 million under the FXQ Loan, failing which she would request the immediate repayment of the principal amount and all interested thereon pursuant to the FXQ Loan. Although the Company was able to pay the interest to Ms. Fu by end of February 2026, the auditor of the Company which was then preparing for the Group's consolidated financial statements for the year ended 31 December 2025 (the “**2025 Financial Statements**”), informed the Company that it would issue disclaimer of opinion if the Company was unable to extend repayment of loans due by end of 2026, including those loans which had already matured.

In view of the potential disclaimer of opinion by the auditor, since early February 2026, the Company had actively discussed with each of the following creditors for extension of loan repayment: (i) Zhongjia Xinda (the original lender of the GEOS Loan before the GEOS Loan Assignment); (ii) Haihua, (iii) SRA (the original lender of the Linker Loan before the Linker Loan Assignment); (iv) Mr. Ning; (v) Ms. Guo; (vi) Ms. Fu; and (vii) Clear Jolly. However, the loan repayment extension request was rejected by the aforesaid creditors.

As a result, on 27 March 2026, the Company published the Group's annual results for the year ended 31 December 2025 in which the auditor did not express an opinion on the 2025 Financial Statements, and that in view of the Group's net loss, net current liability, net liability and total borrowing as of 31 December 2025, there was a material uncertainty exists that might cast significant doubt on the Group's ability to continue as a going concern (the “**Disclaimer of Opinion**”).

In mid-April 2026, the Board proposed that loan capitalisation was a suitable way to resolve the financial position and going concern issues of the Group. Since then, the Company began discussion with the creditors on possible loan capitalisation.

In early May 2026, SRA (the original lender of the Linker Loan before the Linker Loan Assignment) confirmed to the Company that it would not participate in any proposed loan capitalisation arrangement in view of the uncertainty of the Sino-Japanese relationship. Meanwhile, Mr. Ning who had expressed his willingness in participating in the proposed loan capitalisation arrangement, agreed to take up the SRA Loan. Around mid-May 2026, Zhongjia Xinda, Ms. Fu and Clear Jolly rejected the loan capitalisation proposal, while Haihua, Mr. Ning and Ms. Guo confirmed that they would participated in the proposed loan capitalisation arrangement.

Thereafter, the Company had been looking for investor(s) who would be interested in participating in loan capitalisation. Through the business network of the Company, GEOS was introduced by Ms. Ye Bailing, an executive Director, which showed interest in taking up the ZX Loan and participate in the proposed loan capitalisation arrangement. The ZX Loan was then assigned to GEOS.

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Given the relatively low cash balance in an amount of approximately RMB9.27 million as of 30 June 2026, and the expected fund required to finance the Group's business operations with reference to the annual operating expenses of the Group of approximately RMB60.7 million based on the selling and marketing expenses, general and administrative expenses, and research and development expenses incurred for the year ended 31 December 2025, the Board decided to raise funds by way of the Placing to repay the FXQ Loan and the CL Loan. The Company then looked for potential placing agent.

On 27 May 2026, the Company convened a Board meeting and passed the resolutions approving the proposed Loan Capitalisation and the Placing. On the same date, the Company entered into (i) the Loan Capitalisation Agreements with the Subscribers, and (ii) the Placing Agreement with the Placing Agent.

Reasons for and benefits of the Loan Capitalisation and the Placing

As disclosed in the annual report of the Company for the year ended 31 December 2025, the Group recorded a net loss of approximately RMB23.7 million. As at 31 December 2025, the Group recorded net current liabilities of approximately RMB18.8 million and net deficit of approximately RMB54.2 million. Further, as at 31 December 2025, the Group had total borrowings of approximately RMB179.0 million, of which approximately RMB39.0 million were recorded under current liabilities, while the Group had bank and cash balances of approximately RMB17.0 million. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. As stated in the 2025 Financial Statements, the Company's auditor did not express an opinion on the consolidated financial statements of the Group due to the potential interactions of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements.

As at the Latest Practicable Date, the total outstanding principal and interest accrued under the Subscriber Loans, the FXQ Loan and the CL Loan amounted to approximately RMB171.8 million, which the Company does not have sufficient financial resources to settle in full. The CL Loan has fallen due in December 2025 and the NJ Loan had fallen due in March 2026, while the GL Loan, the Haihua Loan, the GEOS Loan and the FXQ Loan will become due shortly, in November 2026, December 2026, September 2026 and December 2026, respectively, and the Company is unlikely to have sufficient funds to repay them on a timely basis.

The original FXQ Loan was entered into by Ms. Fu as lender and the Company as borrower on 18 August 2023, which was supplemented by the supplemental loan agreements dated 17 June 2024 and 19 March 2025, respectively. The interest rate of the FXQ Loan is 2.5% per annum. The original repayment date was 23 July 2025 which was later extended to 31 December 2026. The FXQ Loan was borrowed for the acquisition of 100% of the total issued shares Zhongyi BVI from Ms. Zhu, which was completed in March 2024, and the FXQ Loan was applied as intended. Ms. Fu is a shareholder of the Company holding approximately 3.06% issued Shares of the Company as at the Latest Practicable Date.

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As for the CL Loan, the original loan agreement was entered into on dated 13 August 2022 between Clear Jolly as lender and the Company as borrower, and was later supplemented by the supplemental loan agreements on 6 September 2022 and 6 March 2025, respectively. Upon the entering into the supplemental agreements of the CL Loan, one-off penalty equivalent to 10% of the aggregate principal amount of the loan is not fully repaid by 31 December 2025. The overdue interest on any overdue amount from the due date for payment to the date of actual payment at the rate of 1% per month accruing on a daily basis and payable in each month. The original repayment date on 12 November 2022 was extended to 31 December 2025. The purpose of the CL Loan was for the general working capital and/or repayment of existing indebtedness of the Company. In particular, the CL Loan was borrowed for repayment of accrued interest in aggregate of HK\$3,000,000 in relation to the SRA CB. The loan was applied as intended. To the Directors' knowledge, information and belief, Clear Jolly is an Independent Third Party.

Given the relatively low cash balance of the Group, and that such cash balance is required to be maintained for financing the Group's existing businesses and operations, the Company considered that it would be inappropriate to use its existing cash resources to partially settle the outstanding Subscriber Loans, FXQ Loan and CL Loan.

As part of the Group's action plan to improve the Group's liquidity position, the Company has been in negotiation and agreed with the Subscribers on the Loan Capitalisation in order to settle the Subscriber Loans without immediate utilising existing financial resources of the Group, thereby strengthening the Group's financial position and improving its gearing ratio; and it also demonstrates the Subscribers' continued confidence in, and commitment to, the long-term prospects of the Group. Although the Subscriber Loans bear interest rates ranging from 2.5% to 12% per annum, whereas the Bonds bear no interest, the Subscribers believe that the Loan Capitalisation will strengthen the Group's liquidity and enhance its overall financial performance, thereby supporting ongoing business development and contributing to an improved stock price. The Subscribers participating in the Loan Capitalisation will benefit from these positive outcomes even the Bonds have zero coupon at a considerable discount to the prevailing market Share price. Therefore, the Loan Capitalisation is expected to reduce the finance costs burden of the Group. The Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to preserve its liquidity for its business operations.

Subject to the Placing Completion, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$39.5 million and HK\$39.0 million, respectively. On such basis, the net placing price will be approximately HK\$0.45 per Placing Share. All of the net proceeds from the Placing are intended to be applied for the repayment of the FXQ Loan and the CL Loan. The issue and allotment of the maximum Placing Shares, the Capitalisation Shares and the maximum Conversion Shares represent a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules aggregating (i) the rights issue on the basis of five (5) rights shares for every one (1) consolidated share announced on 17 June 2025 (the "**2025 Rights Issue**")) of approximately 14.52%, represented by the cumulative theoretical diluted price of

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approximately HK\$0.551 per Share to the theoretical benchmarked price of HK\$0.645 (as defined under Rule 7.27B of the Listing Rules, taking into account the benchmarked price of (i) the 2025 Rights Issue; the (ii) the Loan Capitalisation; and (iii) the Placing, as abovementioned). The theoretical dilution effect is approximately 14.71% (taking into account the 2025 Right Issue and the Loan Capitalisation only) and approximately 16.03% (taking into account the 2025 Right Issue and the Placing only).

Although the allotment and issue of the Capitalisation Shares, the Conversion Shares and the Placing Shares will have a dilution effect to the existing Shareholders, having considered (i) the capitalisation of the Subscriber Loans can alleviate the repayment pressure of the Group; (ii) the proceeds from the issuance and allotment of the Placing Shares, after repayment of the FXQ Loan and CL Loan, will be able to improve the Company's financial position to net current asset; and (iii) the Capitalisation Shares, the Conversion Shares and the Placing Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, strengthen the financial position and enlarge the capital base of the Group, the Directors are of the view that the dilution effect arising from the allotment and issue of the Capitalisation Shares, the Conversion Shares and the Placing Shares is justifiable in this regard.

Further, the Company has consulted its auditors regarding measures and strategies to improve the Group's financial position following the Disclaimer of Opinion. Key measures include implementing cost control initiatives, executing a business development plan to enhance cash flow, exploring potential new financing from Shareholders, and extending current loan repayments. The Company's auditors concurred with the Company that the Loan Capitalisation and the Placing, if completed as proposed, would substantially improve of the Group's financial position. Based on its consolidated management accounts, the Group recorded unaudited net current liabilities of approximately RMB55.7 million as at 30 June 2026. The Group's unaudited total liabilities and current liabilities as at 30 June 2026 were approximately RMB252.74 million and RMB138.28 million, respectively. The financial information of the Group as at 30 June 2026 is subject to the interim results to be announced by the Group in due course. For illustrative purpose, assuming the Loan Capitalisation and the Placing were completed, and the repayment of the FXQ Loan and the CL Loan using the net proceeds from the Placing occurred on 30 June 2026, the Group's total liabilities and current liabilities would have reduced to approximately RMB158.40 million and RMB68.93 million, respectively. The remaining liabilities mainly consist of bank borrowings in an amount of approximately RMB3.09 million and the long-term liabilities in relation to the Bonds (liability component) in an amount of approximately RMB79.38 million. Upon full conversion of the Bonds, the Group's total liabilities and current liabilities would be further decreased to approximately RMB79.02 million and RMB68.93 million, respectively. Assuming the Loan Capitalisation and the Placing are completed, and the FXQ and the CL loan have been repaid using the net proceeds from the Placing, the Group would have recorded net current assets of approximately RMB13.61 million as at 30 June 2026. In relation to the remaining bank borrowing, the Company intends to obtain other financing or make repayment subject to the financial position of the Group at the material time. Factoring in additional cost-control measures and continuous cash flow improvements driven by enhanced business development, and barring any unforeseen

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material adverse economic or market conditions, the Directors have reasonable grounds to believe that the Disclaimer of Opinion may potentially be removed for the financial year ending 31 December 2026.

In view of the above, the Directors (including the independent non-executive Directors after considering the advice from the Independent Financial Adviser but excluding Ms. Guo who is considered to have material interest in the Loan Capitalisation) consider that the terms of the Loan Capitalisation Agreements are fair and reasonable based on the current market conditions and are on normal commercial terms, accordingly, the Loan Capitalisation is in the interests of the Company and the Shareholders as a whole.

Further, the Board (including the independent non-executive Directors) considers that the terms of the Placing and the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions, therefore the terms of the Placing Agreement are fair and reasonable based on current market conditions. The Placing and the entry into the Placing Agreement are in the interests of the Company and the Shareholders as a whole.

Principal business of the Group upon completion of the Loan Capitalisation and the Placing

The Group does not have any intention to downsize, terminate or dispose of any part of the AMR Business and the SMIA Business (together the “**Existing Business**”) upon completion of the Loan Capitalisation and the Placing.

The AMR Business includes following categories (i) development and installation of, and technical support services to smart power grid network; (ii) technical support service to China Southern Power Grid, the electric grid from government which provide electric supply to the Guangdong providence usage; (iii) development and installation of, and technical support services to energy-saving and environmentally friendly street light control system; and (iv) manufacture and trading of electronic automated meter readers, related chips and electronic components.

The SMIA Business includes following categories (i) provision of technical support to engineering projects involving corrosion prevention and inspection and floating roof; (ii) installation and development of, and technical support to engineering software; (iii) provision of technical support to recycling and oil developing engineering projects; and (iv) provision of after-sale services for engineering design software.

For the year ended 31 December 2025, the Existing Business recorded an aggregate revenue of approximately RMB55.19 million, representing approximately 59.6% of the Group's total revenue for the year, and continued to form a major part of the Group's business. Revenue of the AMR Business decreased from approximately RMB67.08 million in 2024 to approximately RMB39.23 million in 2025, mainly due to revenue of approximately RMB22.7 million generated from two new customers which had purchased substantially larger amount of chips in 2024 for their smart meter projects for the China

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Southern Power Grid, and decrease in revenue from maintenance services for legacy products of street light control system of approximately RMB1.69 million; while revenue from the Group's principal PLC products remained stable. Revenue from the SMIA Business decreased from approximately RMB29.84 million for the year ended 31 December 2024 to approximately RMB15.96 million for the year ended 31 December 2025, mainly due to (i) project completion of certain customers which reduced the overall demand in software; (ii) changes in the regulatory environment since December 2023 prohibiting the use of certain foreign project management software by the PRC state-owned enterprises which constitute the major customer group of the SMIA Business, leading to an overall decrease in revenue in relation to relevant engineering software from approximately RMB11 million in 2024 to approximately RMB2 million in 2025; and (iii) the time required for testing and validation of new local software and technologies in substitute for foreign software before launching to the market.

The historical revenue movements did not represent a prolonged decline, as revenue from the AMR Business increased in 2022 and 2024 and revenue from the SMIA Business increased in 2021. The overall fluctuations were principally attributable to product and technology transitions, tender and project cycles, working capital constraints, pandemic-related disruption and the non-renewal of a major software licence project, rather than any cessation of the Existing Business.

The Group has been and will continue to actively maintain and explore opportunities for the long-term development of the Existing Business. For AMR Business, despite the continued downturn in the State Grid Corporate of China (“**State Grid**”) meter reading system of the AMR Business due to the slow progress of recovery of the PRC real property industry, the Group has recently collaborated with 深圳智微電子科技股份有限公司 (Shenzhen Zhiwei Electronics Technology Co., Ltd.) and 浙江晨泰科技股份有限公司 (Zhejiang Chentai Technology Co., Ltd.) and successfully won bids of two new projects of State Grid in Liaoning Province and Jiangxi Province with a total contract value of RMB50 million. Service delivery is expected to be completed in the second half of 2026 and relevant revenue is expected to be recognised by end of 2026. At the same time, the Group has successfully renewed the three-year contract for the air conditioning project in 富士康鄭州綜保區 (Foxconn Zhengzhou Comprehensive Bonded Zone) with our existing customer. The aforesaid new business engagements, together with other sales under the AMR Business, are expected to drive the Group's annual revenue for the AMR Business to exceed RMB70 million for the year ending 31 December 2026 based on secured contracts.

Further, the Group considers there to be great potential of the smart automated meter business in China. In particular, the State Grid is regarded as a significant driver of innovation and deployment in PLC and smart metering technologies. The 15th Five-Year Plan (2026–2030) is expected to prioritise green development, energy transition, and the modernisation of industrial systems. The State Grid's planned investments, potentially reaching RMB4 trillion during the period of the China's 15th Five-Year Plan (2026–2030), signal a major acceleration in grid modernisation, including significant advancements in smart grid infrastructure and associated communication technologies.

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With respect to the sustainable development of the AMR Business in 2027, apart from maintaining service delivery and technological quality for the existing business of State Grid and China Southern Power Grid, the Group will strategically (i) collaborate with local chip companies to address the different service requirements of different provinces, thereby developing provincial business on a region-by-region basis; (ii) cooperate with local private electricity meter manufacturers by integrating the Group's embedded chips into meter prototypes produced by the such manufacturers, and to jointly participate in bidding for power grid projects at provincial level; (iii) broaden its customer base in both domestic and regional markets, particularly among private-sector enterprises, by selling embedded chip products to smart meter manufacturers and system integrators in such markets, and selling domestic older-generation chips in regional markets with lower technical requirements.

As for the SMIA Business, while the sale of the U.S. project management software faces significant challenges as a result of the change of regulatory environment, the Group has observed that there has been rapid development of industrial internet and intelligent manufacturing introducing new security threats to industrial control systems and production data. At the same time, increasing emphasis on environmental, health and safety (“EHS”) management has driven the growth of the EHS software market in the PRC. The EHS compliance and risk management software developed by PRC software companies is in line with the EHS regulatory requirements in China. The Group has recently signed a licence agreement with one of such software developers, and is now in active negotiations with customers for sale of relevant EHS software. Further, the Group has also signed a licence agreement for a R400 software developed by a PRC software company, and discussions with interested customers are currently underway.

With respect to the sustainable development of the SMIA Business in 2027, the Group intends to maintain its focus on collaborating with diverse local software companies to enhance and diversify its software services, product portfolios and functions, in particular the EHS-related software and after-sale service for engineering design software, and thereby broadening the target customer segments. The Group expects to participate in joint bidding for more engineering projects through strategic partnerships with them to drive business revenue growth.

The Group has maintained sufficient resources to support the Existing Business for its long-term development. For the AMR Business, the Group adopts an asset-light and fabless operating model and maintains its production facility in Hunan Province for product assembly, testing and production support. It is currently supported by approximately 23 direct personnel comprising its core production, quality control, operational and management teams. The Group also accesses research and development and sales resources through established collaboration arrangements with external partners, while its core management team retains oversight of product strategy, quality control, customer and supplier coordination, contract execution and overall business management.

The current operating structure reflects the Group's restructuring of the AMR Business in 2025 to improve cost efficiency and is considered sufficient to support its existing operations and secured contracts. As at the Latest Practicable Date, the AMR

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Business maintained 42 active customers. The State Grid-related business has successfully acquired new clients and secured higher-value contracts in 2026, with revenue projected to reach RMB70 million for the year ending 31 December 2026.

For the SMIA Business, the headcount of sale and technical personnel for the SMIA Business has remained stable at around 12 to 15 personnel throughout the last few years. Following a reduction in business from petroleum industry clients and PRC state-owned enterprises, the Group has expanded its focus to the EHS software market and other software solutions for corporate customers in different industries in the PRC. As at the Latest Practicable Date, the SMIA Business maintained 3 active customers. The Group has also recently entered into a 5-years software contract with a petroleum company for an aggregated contract sum of approximately RMB80 million. Subject to the performance of the contract and the applicable revenue recognition requirements, the contract is expected to contribute revenue of approximately RMB16 million by end of 2026.

In parallel, the Group will continue to develop the WFOM Business, which generated revenue of approximately RMB37.36 million in 2025. The Directors consider the WFOM Business to be complementary to the Existing Business, as they share capabilities in project management, technical coordination, equipment monitoring, maintenance and customer support. Such complementary capabilities may facilitate resource sharing and joint business development and provide additional opportunities to secure customers and projects. The WFOM Business is being developed in parallel with, rather than as a replacement for, the Existing Business.

Based on the aforesaid, the Directors consider that the Existing Business will remain substantive and as principal business of the Group following completion of the Loan Capitalisation and the Placing, while the WFOM Business is expected to complement and support the Existing Business and provide additional opportunities for the Group's long-term development.

6. EFFECT OF THE LOAN CAPITALISATION AND THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had 215,813,840 Shares in issue and 72,426 share options under the share option scheme of the Company adopted on 16 May 2017. Save as aforesaid, the Company had no other share, option, warrant, derivative or other relevant securities (as defined under the Takeovers Code) that carried rights to subscribe for or which are convertible into the Shares as at the Latest Practicable Date.

Assuming that (i) the Loan Capitalisation Completion and the Placing Completion take place on the same date; (ii) there is full conversion of the Bonds; (iii) all 85,869,565 Placing Shares are placed to the Placees; and (iv) there will be no changes in the issued share capital of the Company between the Latest Practicable Date and the date of the Loan Capitalisation Completion and the Placing Completion, the number of new Shares allotted and issued under the Specific Mandate as a result of the Loan Capitalisation and the Placing represent (i) approximately 201.54% of the existing issued share capital of the Company of 215,813,840 Shares as at the Latest Practicable Date; and (ii) approximately 66.84% of the issued share capital of the Company as enlarged by the allotment and issue of the new Shares allotted and

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issued under the Specific Mandate as a result of the Loan Capitalisation and the Placing. The aggregate nominal value of the number of new Shares to be allotted and issued under the Specific Mandate as a result of the Loan Capitalisation and the Placing will be HK\$2,174,771.74.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and based on the assumptions set out in the preceding paragraph, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon allotment and issue of the Capitalisation Shares (without taking account the Placing); (iii) immediately upon allotment and issue of the Placing Shares (assuming all the Placing Shares are placed in full and without taking into account any Capitalisation Shares and Conversion Shares); and (iv) immediately upon allotment and issue of the Conversion Shares (assuming full conversion of the Bonds, all the Placing Shares are placed in full and all the Capitalisation Shares are issued), are set out as follows:

Shareholder	As at the Latest Practicable Date		Immediately upon allotment and issue of the Capitalisation Shares (without taking account the Placing)		Immediately upon allotment and issue of the Placing Shares (assuming all the Placing Shares are placed in full and without taking account any Capitalisation Shares and Conversion Shares)		Immediately upon allotment and issue of the Conversion Shares (assuming full conversion of the Bonds, all the Placing Shares are placed in full and all the Capitalisation Shares are issued)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Non-public Shareholders								
Mr. Tsang Wah Tak Brian (note 1)	263,000	0.12%	263,000	0.09%	263,000	0.09%	263,000	0.04%
Mr. Yu Lu (note 2)	3,450,450	1.60%	3,450,450	1.21%	3,450,450	1.14%	3,450,450	0.53%
Ms. Ye Bailing (note 3)	20,000,000	9.27%	20,000,000	7.00%	20,000,000	6.63%	20,000,000	3.07%
Ms. Zhu (note 4)	20,000,000	9.27%	20,000,000	7.00%	20,000,000	6.63%	20,000,000	3.07%
Ms. Yang Yang (note 5)	40,526,534	18.78%	40,526,534	14.19%	40,526,534	13.43%	40,526,534	6.23%
XinDaXin Group Company Limited (note 6)	22,344,000	10.35%	22,344,000	7.82%	22,344,000	7.41%	22,344,000	3.43%
Linker (note 7, 11)	—	—	52,620,000	18.42%	—	—	263,100,000	40.43%
								(note 9) 6.25%
Mr. Ning (note 7, 11)	2,556,000	1.18%	10,179,913	3.57%	2,556,000	0.85%	40,675,565	(note 9)
Ms. Guo (note 8)	—	—	5,894,783	2.06%	—	—	29,473,913	4.53%
Sub-total	109,139,984	50.57%	175,278,680	61.36%	109,139,984	36.18%	439,833,462	67.58%
Public Shareholders								
GEOS (note 10)	—	—	1,874,348	0.66%	—	—	9,371,739	1.44%
Haihua (note 10)	—	—	1,803,913	0.63%	—	—	9,019,565	1.39%
Placees	—	—	—	—	85,869,565	28.46%	85,869,565	13.02%
Other public Shareholders	106,673,856	49.43%	106,673,856	37.35%	106,673,856	35.36%	106,673,856	16.39%
Sub-total	106,673,856	49.43%	110,352,117	38.64%	192,543,421	63.82%	210,934,725	32.42%
Total	215,813,840	100.00%	285,630,797	100.00%	301,683,405	100.00%	650,768,187	100.00%

LETTER FROM THE BOARD

Notes:

1. Mr. Tsang Wah Tak Brian is an executive Director.
2. Mr. Yu Lu is a non-executive Director.
3. Ms. Ye Bailing is an executive Director.
4. Ms. Zhu is director of two wholly-owned subsidiaries of the Company, namely Zhongyi BVI and Zhongyi (Hong Kong) International Limited.
5. Ms. Yang Yang is currently a substantial shareholder. She will become a public shareholder when her shareholding is diluted under 10%.
6. XinDaXin Group Company Limited (“**XinDaXin**”) is a company incorporated in Hong Kong with limited liability. XinDaXin is wholly owned by Silver Castle International Limited, a company incorporated in the British Virgin Islands with limited liability. Silver Castle International Limited is wholly owned by Mr. Wu Yueshi. By virtue of the SFO, Silver Castle International Limited and Mr. Wu Yueshi are deemed to be interested in the Shares in which XinDaXin is interested. XinDaXin is currently a substantial shareholder. It will become a public shareholder when its shareholding is diluted under 10%.
7. Mr. Ning is a director of each of Risecomm Shenzhen and Risecomm Wuxi which are indirect wholly-owned subsidiaries of the Company. Linker is wholly owned by Mr. Ning.
8. Ms. Guo is a non-executive Director.
9. The conversion of Bonds are subject to the conversion restriction, including that no conversion shall be made if it would trigger a mandatory general offer obligation under Rule 26 of the Takeovers Code, unless waived or duly complied with. Linker and Mr. Ning has individually and collectively irrevocably undertaken to the Company that neither of them will exercise right at any time during the Conversion Period under the Linker Bond or NJ Bond (as applicable) to convert any part of the outstanding principal amount of the Linker Bond or NJ Bond (as applicable) into Conversion Shares to such an extent that will result in a requirement of Linker or Mr. Ning, and/or the parties acting in concert with any of them and/or their respective associates, to make a mandatory general offer under Rule 26 of the Takeovers Code.
10. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, (i) neither GEOS nor Haihua is a core connected person of the Company under the Listing Rules; and (ii) the Shares to be held by GEOS and Haihua upon completion of the Loan Capitalisation, will be counted as “in public hands” under Rules 8.24(1) and (2) of the Listing Rules, as neither of them is financed directly or indirectly by a core connect person of the Company in acquiring the relevant Shares, or is accustomed to take instructions from a core connected person of the Company in relation to acquisition, disposal, voting or other disposition of any securities of the Company registered in their names or otherwise held by them.
11. Linker and Mr. Ning (through his interest in Linker) will become the largest substantial Shareholder of the Company upon completion of the Loan Capitalisation and the Placing. Mr. Ning is not a Director and the Company does not intend to appoint Mr. Ning as a member of the Board, or make any changes to the composition of the Board or executive functions of the executive Directors as a result of the Loan Capitalisation and the Placing. Mr. Ning’s participation in the Loan Capitalisation is due to his involvement in the management of the Existing Business of the Group and his support for the Group’s financial restructuring and long-term development. Neither Linker nor Mr. Ning has any right to appoint, remove or nominate Directors, exercise rights or other influence the composition of the Board. There is no Shareholders’ agreement, voting arrangement, management agreement or other governance arrangement pursuant to which Linker or Mr. Ning may exercise control over the Board or the management of the Company. Accordingly, the Board considers that Linker or Mr. Ning has no and will not have control or de facto control of the Company before or after completion of the Loan Capitalisation and the Placing. As of the Latest Practicable Date, neither Linker nor Mr. Ning intended to convert the Linker Bond or the NJ Bond (as the case may be).

LETTER FROM THE BOARD

Justification of the potential dilution effect in shareholding of the Public Shareholders

Although the Loan Capitalisation will have a dilution effect to the existing Shareholders, having considered (i) the capitalisation of the Subscriber Loans, including the Linker Loan can alleviate the repayment pressure of the Group; (ii) pursuant to the Linker Loan, the Company has to pay interest rate of 3.6% per annum, while the Linker Bond is a zero-coupon bond. It will immediately remove the ongoing interest repayment obligations of the Company, thereby reducing the Company's financial burden and preserving cash flow for operational use; and (iii) the Capitalisation Shares and the Conversion Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, strengthen the financial position and enlarge the capital base of the Group, the Directors are of the view that the dilution effect arising from the Loan Capitalisation is justifiable in this regard.

Linker is wholly-owned by Mr. Ning, who is a senior management of the Group. Despite the Linker Loan will only mature in August 2033, which is about 7 years from now, the Company offered the loan capitalisation proposal to Linker for consideration in order to lower the overall debt level and interest burden of the Group. The fact that Linker accepted the Company's loan capitalisation proposal demonstrates Mr. Ning's confidence in, and commitment to, the long-term prospects of the Group. The Directors consider it beneficial to the Group that Mr. Ning becomes a substantial Shareholder upon the issuance of the Capitalisation Shares, because it helps align Mr. Ning's financial interest with the Group's overall growth, boosts morale and encourages long-term retention.

Further, the Company intended to provide the same opportunities and terms to all participating creditors under the Loan Capitalisation. This ensures absolute fairness and equal treatment among all creditors under the Loan Capitalisation. The Company is fully aware of the dilution effect and the impending change of the largest substantial Shareholder. The Loan Capitalisation will be put forward to the Shareholders at the EGM for consideration. This will ensure that the Shareholders are given the full opportunity to consider, evaluate, and ultimately decide whether the long-term financial relief and debt reduction of the Group would justify the immediate dilution effects.

LETTER FROM THE BOARD

7. EQUITY FUND RAISING ACTIVITIES OF IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund-raising activity in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcements	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of proceeds as at the date of the Circular
17 June 2025, 9 July 2025, 23 July 2025, 15 August 2025, 29 August 2025, 19 September 2025, 21 October 2025 and 6 November 2025	Rights issue on the basis of five rights shares for every one consolidated share	Approximately HK\$80.44 million	The Company intended to apply the net proceeds from the rights issue as to (i) approximately HK\$64.16 million for repayment of the Group's current liabilities, and (ii) approximately HK\$16.08 million for the Group's general corporate and administration working capital purposes.	All of the net proceeds were applied as intended.

Save as disclosed above, the Company has not carried out any equity fund-raising activity in the past twelve months immediately prior to the Latest Practicable Date.

8. SPECIFIC MANDATE

The Capitalisation Shares, the Conversion Shares and the Placing Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM.

9. APPLICATION FOR LISTING OF THE CAPITALISATION SHARES, THE CONVERSION SHARES AND THE PLACING SHARES

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares, the Conversion Shares and the Placing Shares.

10. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Ms. Guo is a non-executive Director, Mr. Ning is a director of each of Risecomm Shenzhen and Risecomm Wuxi, which are indirectly wholly owned subsidiaries of the Company, and Linker is wholly owned by Mr. Ning. Therefore, each of Ms. Guo, Mr. Ning and Linker is connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of the GL Loan Capitalisation Agreement, the NJ Loan Capitalisation Agreement and the Linker Loan Capitalisation Agreement and the transactions contemplated thereunder constitute connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Capitalisation Shares, Conversion Shares and the Placing Shares to be allotted and issued to the Subscribers and the Placees (as the case may be) will be allotted and issued under the Specific Mandate to be obtained at the EGM. The Subscribers and their respective

LETTER FROM THE BOARD

associates shall abstain from voting in respect of the relevant resolution(s) approving their respective Loan Capitalisation Agreement and the transactions contemplated thereunder at the EGM.

Ms. Guo, being a non-executive Director, has abstained from voting on the Board resolutions approving the Loan Capitalisation Agreements and the transactions contemplated thereunder. Save as disclosed above, (i) no other Director has a material interest in the Loan Capitalisation Agreements, the Placing Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions in relation to the aforesaid matters; (ii) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Ning and his associates shall abstain from voting at the EGM in respect of the resolution(s) approving the NJ Loan Capitalisation Agreement, the Linker Loan Capitalisation and the transactions contemplated thereunder, save for which no other Shareholder has any material interest in the Loan Capitalisation Agreements, the Placing Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate), and is required to abstained from voting at the EGM.

11. ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of each of the Connected Loan Capitalisation Agreements are on normal commercial terms or better and fair and reasonable, whether the Loan Capitalisation pursuant to the Connected Loan Capitalisation Agreements is in the interests of the Company and the Shareholders as a whole and as to how to vote at the EGM. Mango Financial Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

12. EGM

The EGM will be convened at Units 5906–5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Thursday, 17 September 2026 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the Loan Capitalisation Agreements, the Placing agreement and the transactions contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Capitalisation Shares, the Conversion Shares and the Placing Shares.

Set out on pages EGM-1 to EGM-7 of this circular is a notice convening the EGM to consider and, if appropriate, to approve the Loan Capitalisation Agreements, the Placing Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Capitalisation Shares, the Conversion Shares and the Placing Shares. A form of proxy for use by the Shareholders at the EGM or any adjourned meeting is also enclosed herewith.

LETTER FROM THE BOARD

Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Registrar at Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish.

13. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 September 2026 to Thursday, 17 September 2026 (both days inclusive) for determine the eligibility of the Shareholders to attend and vote at the EGM. In order to qualify for attendance and voting at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar at Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 11 September 2026.

14. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 52 to 53 of this circular and the letter from the Independent Financial Adviser on pages 54 to 100 of this circular which contain their advice to the Independent Board Committee and the Independent Shareholders regarding the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder as well as the principal factors and reasons taken into consideration in arriving at their advice.

The Directors, including the independent non-executive Directors (excluding Ms. Guo who have abstained from voting on the relevant board resolution to approve the Loan Capitalisation Agreements and the transactions contemplated thereunder), consider that the terms of the Loan Capitalisation Agreements and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Loan Capitalisation Agreements and the transactions contemplated thereunder. You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser mentioned above before deciding how to vote at the EGM.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Placing Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

15. GENERAL INFORMATION

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

By Order of the Board
Risecomm Group Holdings Limited
Ye Bailing
Executive Director



RISECOMM

瑞斯康

RISECOMM GROUP HOLDINGS LIMITED

瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1679)

31 August 2026

To the Independent Shareholders

Dear Sir/Madam,

**CONNECTED TRANSACTIONS IN RELATION TO
ISSUE OF CAPITALISATION SHARES AND CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated 31 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 members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder are: (i) fair and reasonable; (ii) on normal commercial terms or better; (iii) in the interest of the Company and the Independent Shareholders as a whole; and (iv) to advise the Independent Shareholders how to vote at the EGM.

Mango Financial Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder. The letter of advice from Mango Financial Limited containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 54 to 100 of the Circular.

We wish to draw your attention to the letter from the Board, as set out on pages 8 to 51 of the Circular and the text of a letter of advice from the Independent Financial Adviser, as set out on pages 54 to 100 of the Circular, both of which provide details of the terms of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder. After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we concur with its views and consider that although the entering into of the Connected Loan Capitalisation Agreements is not conducted in the ordinary and usual course of business of the Company, the terms of the Loan Capitalisation under the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE
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Connected Loan Capitalisation Agreements are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Connected Loan Capitalisation Agreements and the transaction contemplated thereunder.

Your faithfully,
For and on behalf of
The Independent Board Committee

Mr. Victor Yang

Ms. Lo Wan Man
Independent Non-executive Directors

Mr. Zou Heqiang

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Mango Financial Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Loan Capitalisation Agreements for the purpose of inclusion in this circular.



31 August 2026

*To the Independent Board Committee and
the Independent Shareholders of
Risecomm Group Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTIONS IN RELATION TO THE ISSUE OF CAPITALISATION SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

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 Connected Loan Capitalisation Agreements, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 31 August 2026 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 May 2026 (after the Stock Exchange trading hours), the Company and the Subscribers entered into the Loan Capitalisation Agreements, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe, the Capitalisation Shares and the Bonds, for settlement of the Subscriber Loans.

Amongst of the Subscribers, Ms. Guo is a non-executive Director, Mr. Ning is a director of each of Risecomm Shenzhen and Risecomm Wuxi, which are indirectly wholly owned subsidiaries of the Company, and Linker is wholly owned by Mr. Ning. Therefore, each of Ms. Guo, Mr. Ning and Linker (collectively the “**Connected Subscribers**”) is connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of the GL Loan Capitalisation Agreement, the NJ Loan Capitalisation Agreement and the Linker Loan Capitalisation Agreement (i.e. collectively, the Connected Loan Capitalisation Agreements) and the respective transactions contemplated thereunder constitute connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of each of the Connected Loan Capitalisation Agreements are on normal commercial terms or better and fair and reasonable, whether the transactions contemplated under the Connected Loan Capitalisation Agreements is in the interests of the Company and the Shareholders as a whole and as to how to vote at the EGM.

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

INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years prior to the Latest Practicable Date, there was no engagement between the Company and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company. Accordingly, we consider that we are eligible to give independent advice in respect of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have relied on the information, facts and representations contained or referred to in the Circular and the information, opinions and representations provided or expressed to us by the Directors and/or the management of the Company (the “**Management**”). We have assumed that all the information, facts and representations contained or referred to in the Circular, and all the information, opinions and representations provided or expressed by the Management, for which they are solely responsible, were true, accurate and complete in all material respects at the time when they were provided and continue to be so as at the Latest Practicable Date and that they may be relied upon in formulating our view. We have also assumed that all such opinions and statements of intention or belief expressed by the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiries.

The Directors have confirmed to us that no material facts have been withheld or omitted from the information provided, representations made or opinions expressed. We have no reason to suspect that any relevant information has been withheld or omitted, nor are we aware of any facts or circumstances which would render the information provided, representations made or opinions expressed to us untrue, inaccurate or misleading. We consider that we have been provided with, and have reviewed, sufficient information currently available, and that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Management, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

future prospects of the Company, the parties to the Connected Loan Capitalisation Agreements or any of their respective subsidiaries or associates. Our opinion is necessarily based on the financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date.

The 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 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 therein or the Circular misleading.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Connected Loan Capitalisation Agreements. Except for its inclusion in the Circular, this letter 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 and giving our independent financial advice, we have taken into account the following principal factors:

1. Information on the Group

Business of the Group

The Group is principally engaged in the design, development and sale of power line communication (the “**PLC**”) products and the provision of relevant maintenance services in connection with the deployment and upgrades of automated meter reading systems of power grid companies in the PRC and for a wide range of applications related to energy saving and environmental protection (the “**AMR Business**”). The PLC products of the Group are mainly used in the Electric Energy Data Acquisition System of the State Smart Grid, which is an important support for big data. The Group is also engaged in the sales of software license, production safety products, construction contracts and the provision of software post-contract customer support services in connection with the smart manufacturing and industrial automation applied in the area of maintenance and safety integrity system in the petroleum and petrochemicals industry (the “**SMIA Business**”).

During FY2024 (as defined below), the Group completed the acquisition of the entire equity interests in Zhongyi BVI that is principally engaged in the provision of wind farm operational and maintenance business (the “**WFOM Business**”), details of which are set out in the Company’s announcement dated 25 August 2023 (the “**Acquisition**”). Such Acquisition allows the Group to commence a new business segment in respect of the WFOM Business in FY2024, which includes the provision of support operation of wind

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

power facilities, technical support, equipment inspection, performance optimisation, and regulatory compliance management to enhance the reliability and efficiency of wind farm operations.

As disclosed in the Letter from the Board, the Group does not have any intention to downsize, terminate or dispose of any part of its AMR Business and SMIA Business (collectively the “**AMR and SMIA Businesses**”) upon completion of the Loan Capitalisation and the Placing.

The AMR Business includes following categories (i) development and installation of, and technical support services to smart power grid network; (ii) technical support service to China Southern Power Grid, the electric grid from government which provide electric supply to the Guangdong province usage; (iii) development and installation of, and technical support services to energy-saving and environmentally friendly street light control system; and (iv) manufacture and trading of electronic automated meter readers, related chips and electronic components.

The SMIA Business includes following categories (i) provision of technical support to engineering projects involving corrosion prevention and inspection and floating roof; (ii) installation and development of, and technical support to engineering software; (iii) provision of technical support to recycling and oil developing engineering projects; and (iv) provision of after-sale services for engineering design software.

For the year ended 31 December 2025, the AMR and SMIA Businesses recorded an aggregate revenue of approximately RMB55.19 million, representing approximately 59.6% of the Group’s total revenue for the year, and continued to form a major part of the Group’s business. Revenue of the AMR Business decreased from approximately RMB67.08 million in 2024 to approximately RMB39.23 million in 2025, mainly due to revenue of approximately RMB22.7 million generated from two new customers which had purchased substantially larger amount of chips in 2024 for their smart meter projects for the China Southern Power Grid, and decrease in revenue from maintenance services for legacy products of street light control system of approximately RMB1.69 million; while revenue from the Group’s principal PLC products remained stable. Revenue from the SMIA Business decreased from approximately RMB29.84 million for the year ended 31 December 2024 to approximately RMB15.96 million for the year ended 31 December 2025, mainly due to (i) project completion of certain customers which reduced the overall demand in software; (ii) changes in the regulatory environment since December 2023 prohibiting the use of certain foreign project management software by the PRC state-owned enterprises which constitute the major customer group of the SMIA Business, leading to an overall decrease in revenue in relation to relevant engineering software from approximately RMB11 million in 2024 to approximately RMB2 million in 2025; and (iii) the time required for testing and validation of new local software and technologies in substitute for foreign software before launching to the market. It is further disclosed in the Letter from Board that the historical revenue movements did not represent a prolonged decline, as revenue from the AMR Business increased in 2022 and 2024 and revenue from the SMIA Business increased in 2021. The overall fluctuations were principally

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

attributable to product and technology transitions, tender and project cycles, working capital constraints, pandemic-related disruption and the non-renewal of a major software licence project, rather than any cessation of the AMR and SMIA Businesses.

The Group has been and will continue to actively maintain and explore opportunities for the long-term development of the AMR and SMIA Businesses.

For AMR Business, despite the continued downturn in the State Grid Corporate of China (“**State Grid**”) meter reading system of the AMR Business due to the slow progress of recovery of the PRC real property industry, the Group has recently collaborated with 深圳智微電子科技股份有限公司 (Shenzhen Zhiwei Electronics Technology Co., Ltd.) and 浙江晨泰科技股份有限公司 (Zhejiang Chentai Technology Co., Ltd.) and successfully won bids of two new projects of State Grid in Liaoning Province and Jiangxi Province with a total contract value of RMB50 million. Service delivery is expected to be completed in the second half of 2026 and the relevant revenue is expected to be recognised by end of 2026. At the same time, the Group has successfully renewed the three-year contract for the air conditioning project in 富士康鄭州綜保區 (Foxconn Zhengzhou Comprehensive Bonded Zone) with the Group’s existing customer. The aforesaid new business engagements, together with other sales under the AMR Business, are expected to drive the Group’s annual revenue for the AMR Business to exceed RMB70 million for the year ending 31 December 2026 based on secured contracts. Further, the Group considers there to be great potential of the smart automated meter business in China. In particular, the State Grid is regarded as a significant driver of innovation and deployment in PLC and smart metering technologies. The 15th Five-Year Plan (2026–2030) is expected to prioritise green development, energy transition, and the modernisation of industrial systems. The State Grid’s planned investments, potentially reaching RMB4 trillion during the period of the China’s 15th Five-Year Plan (2026–2030), signal a major acceleration in grid modernisation, including significant advancements in smart grid infrastructure and associated communication technologies.

With respect to the sustainable development of the AMR Business in 2027, apart from maintaining service delivery and technological quality for the existing business of State Grid and China Southern Power Grid, the Group will strategically (i) collaborate with local chip companies to address the different service requirements of different provinces, thereby developing provincial business on a region-by-region basis; (ii) cooperate with local private electricity meter manufacturers by integrating the Group’s embedded chips into meter prototypes produced by the such manufacturers, and to jointly participate in bidding for power grid projects at provincial level; (iii) broaden its customer base in both domestic and regional markets, particularly among private-sector enterprises, by selling embedded chip products to smart meter manufacturers and system integrators in such markets, and selling domestic older-generation chips in regional markets with lower technical requirements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As for the SMIA Business, while the sale of the U.S. project management software faces significant challenges as a result of the change of regulatory environment, the Group has observed that there has been rapid development of industrial internet and intelligent manufacturing introducing new security threats to industrial control systems and production data. At the same time, increasing emphasis on environmental, health and safety (“EHS”) management has driven the growth of the EHS software market in the PRC. The EHS compliance and risk management software developed by PRC software companies is in line with the EHS regulatory requirements in China. The Group has recently signed a licence agreement with one of such software developers, and is now in active negotiations with customers for sale of relevant EHS software. Further, the Group has also signed a licence agreement for a R400 software developed by a PRC software company, and discussions with interested customers are currently underway.

With respect to the sustainable development of the SMIA Business in 2027, the Group intends to maintain its focus on collaborating with diverse local software companies to enhance and diversify its software services, product portfolios and functions, in particular the EHS-related software and after-sale service for engineering design software, and thereby broadening the target customer segments. The Group expects to participate in joint bidding for more engineering projects through strategic partnerships with them to drive business revenue growth.

The Group has maintained sufficient resources to support the AMR and SMIA Businesses for its long-term development. For the AMR Business, the Group adopts an asset-light and fabless operating model and maintains its production facility in Hunan Province for product assembly, testing and production support. It is currently supported by approximately 23 direct personnel comprising its core production, quality control, operational and management teams. The Group also accesses research and development and sales resources through established collaboration arrangements with external partners, while its core management team retains oversight of product strategy, quality control, customer and supplier coordination, contract execution and overall business management. The current operating structure reflects the Group’s restructuring of the AMR Business in 2025 to improve cost efficiency and is considered sufficient to support its existing operations and secured contracts. As at the Latest Practicable Date, the AMR Business maintained 42 active customers. The State Grid-related business has successfully acquired new clients and secured higher-value contracts in 2026, with revenue projected to reach RMB70 million for the year ending 31 December 2026.

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For the SMIA Business, the headcount of sale and technical personnel for the SMIA Business has remained stable at around 12 to 15 personnel throughout the last few years. Following a reduction in business from petroleum industry clients and PRC state-owned enterprises, the Group has expanded its focus to the EHS software market and other software solutions for corporate customers in different industries in the PRC. As at the Latest Practicable Date, the SMIA Business maintained 3 active customers. The Group has also recently entered into a 5-years software contract with a petroleum company for an aggregated contract sum of approximately RMB80 million. Subject to the performance of the contract and the applicable revenue recognition requirements, the contract is expected to contribute revenue of approximately RMB16 million by end of 2026.

In parallel, the Group will continue to develop the WFOM Business, which generated revenue of approximately RMB37.36 million in 2025. The Directors consider the WFOM Business to be complementary to the AMR and SMIA Businesses, as they share capabilities in project management, technical coordination, equipment monitoring, maintenance and customer support. Such complementary capabilities may facilitate resource sharing and joint business development and provide additional opportunities to secure customers and projects. The WFOM Business is being developed in parallel with, rather than as a replacement for, the AMR and SMIA Businesses.

Based on the aforesaid, the Directors consider that the AMR and SMIA Businesses will remain substantive and as principal business of the Group following completion of the Loan Capitalisation and the Placing, while the WFOM Business is expected to complement and support the AMR and SMIA Businesses and provide additional opportunities for the Group's long-term development.

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Financial information of the Group

Set out below is a summary of the consolidated financial results of the Company for the years ended 31 December 2023, 2024 and 2025 (“**FY2023**”, “**FY2024**” and “**FY2025**”, respectively) as extracted from the annual reports of the Company for FY2023, FY2024 and FY2025 (“**2024 Annual Report**” and “**2025 Annual Report**”, respectively).

	FY2023 (audited) <i>RMB'000</i>	FY2024 (audited) <i>RMB'000</i>	FY2025 (audited) <i>RMB'000</i>
Revenue	94,868	122,298	92,544
— <i>AMR Business</i>	42,337	67,075	39,227
— <i>SMIA Business</i>	52,531	29,839	15,960
— <i>WFOM Business</i>	—	25,384	37,357
Cost of sales	<u>(79,300)</u>	<u>(85,204)</u>	<u>(43,565)</u>
Gross profit	15,568	37,094	48,979
Other income, gains and losses, net (Impairment losses)/reversal of impairment on financial assets and contract assets, net	4,516 (22,043)	(12,220) (1,933)	(129) 7,038
Selling and marketing expenses	(11,836)	(20,098)	(17,887)
General and administrative expenses	(46,758)	(41,379)	(34,601)
Research and development expenses	<u>(20,406)</u>	<u>(22,613)</u>	<u>(8,197)</u>
Loss from operations	(80,959)	(61,149)	(4,797)
Impairment losses of intangible assets	(27,654)	—	(5,132)
Impairment losses on property, plant and equipment	—	—	(876)
Impairment losses on right-of-use assets	—	—	(88)
Finance costs	<u>(11,823)</u>	<u>(11,086)</u>	<u>(8,222)</u>
Loss before tax	(120,436)	(72,235)	(19,115)
Income tax expense	<u>(23,212)</u>	<u>(1,308)</u>	<u>(4,539)</u>
Loss for the year	<u><u>(143,648)</u></u>	<u><u>(73,543)</u></u>	<u><u>(23,654)</u></u>

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Revenue

Total revenue of the Group amounted to approximately RMB94.9 million, RMB122.3 million and RMB92.5 million for FY2023, FY2024 and FY2025, respectively. The Group's total revenue increased by approximately 28.9% during FY2024 as compared to that of FY2023. According to the 2024 Annual Report, such increase in total revenue was mainly derived from (i) the commencement of the WFOM Business upon completion of the Acquisition, which become a new revenue stream of the Group and contributed revenue of approximately RMB25.4 million in FY2024; and (ii) the increase in revenue generated from the AMR Business by approximately 58.4% or RMB24.7 million, mainly as a result of the Group's active development and marketing on the broadband dual-mode communication products, whereas the Group satisfied the requirements of Electric Energy Data Acquisition Standards (電力用電資訊採集系列標準) of State Grid and passed the inspection and testing by the State Grid Measurement Center (國家電網計量中心) in January 2024. Notwithstanding the overall increase in the Group's total revenue in FY2024, revenue generated from the SMIA Business decreased significantly by approximately 43.2% from approximately RMB52.5 million for FY2023 to approximately RMB29.9 million for FY2024. As disclosed in the 2024 Annual Report, such decrease was mainly due to the shortage of working capital for accepting large-scale projects primarily as a result of prolonged late settlement of trade receivables from certain major customers since early 2022, whereas the Group was able to accept and deliver large-scale projects for production of safety products in prior years.

The Group's total revenue declined by approximately 24.3% from approximately RMB122.3 million for FY2024 to approximately RMB92.5 million for FY2025. Despite the increase in revenue contribution from the WFOM Business, the Group recorded a decrease in revenue (i) from the AMR Business by approximately 41.5% or RMB27.8 million for FY2025, which was mainly due to the revenue of approximately RMB22.7 million generated from two new customers which had purchased substantially larger amount of chips in FY2024 for their smart meter projects for the China Southern Power Grid and decrease in provision of maintenance services for legacy products; and (ii) from the SMIA Business by approximately 46.5% or RMB13.9 million for FY2025 due to a combined effect of (a) project completion of certain customers which reduced the overall demand in software; (b) changes in the regulatory environment since December 2023 prohibiting the use of certain foreign project management software by the PRC state-owned enterprises which constitute the major customer group of the SMIA Business, leading to an overall decrease in revenue in relation to relevant engineering software; and (c) the fact that the Group was in the process of testing new software and technologies before launching to the market and expected that new contracts with customers can only be signed upon the successful development and validation of these software and technologies.

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Gross profit

The Group's gross profit and gross profit margin increased from approximately RMB15.6 million and 16.4% for FY2023 to approximately RMB37.1 million and 30.3% for FY2024, respectively. Such increase of gross profit margin was primarily attributable to a combination of (i) improvement in gross profit margin from the AMR Business from approximately 8.0% in FY2023 to approximately 16.2% in FY2024 due to increased revenue contribution from small grid and trading-related businesses; (ii) improvement in gross profit margin from the SMIA Business from approximately 23.2% in FY2023 to approximately 29.5% in FY2024, mainly because of the increase in revenue proportion from software license products that had a higher gross profit margin; and (iii) the commencement of the WFOM Business that had a high gross profit margin of approximately 71.9% in FY2024.

Despite the decrease in total revenue for FY2025, the Group's gross profit and gross profit margin increased to approximately RMB49.0 million and 52.9% for FY2025, respectively, as compared to those of approximately RMB37.1 million and 30.3% for FY2024. Such increase was primarily driven by the increase of revenue and gross profit contribution from the WFOM Business, and its gross profit margin improved from approximately 71.9% for FY2024 to approximately 74.2% for FY2025 as a result of the increasing provision of operation and maintenance services.

Loss from operations

The Group's recorded a net loss position from operations for FY2023, FY2024 and FY2025, which amounted to approximately RMB81.0 million, RMB61.1 million and RMB4.8 million for the corresponding years, respectively. The decrease of loss from operations for FY2024 as compared to the prior year was mainly attributable to (i) the increase of gross profit of approximately RMB21.5 million as discussed above; (ii) the decrease in impairment losses on financial assets and contract assets of approximately RMB20.1 million as the Group had a relatively high corresponding impairment loss in FY2023 due to (a) impairment of long outstanding trade receivables mainly caused by the prolonged late payment from the major customers of the SMIA Business brought forward from 2022; (b) one-off impairment of other loan receivables; and (c) the adoption of a higher expected credit loss rate in general. The Group's decrease in net loss from operations for FY2024 was partially offset by (i) the increase in selling and marketing expenses by approximately RMB8.3 million mainly due to the expansion of new sales channels; and (ii) the recognition of other losses of approximately RMB12.2 million in FY2024 mainly due to the impairment of prepayment in respect of the SMIA Business whereas the Group recorded other income of approximately RMB4.5 million in FY2023.

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The Group's loss from operations further decreased to approximately RMB4.8 million for FY2025, which was mainly resulted from (i) the increase of gross profit of approximately RMB11.9 million as discussed above; (ii) the decrease of research and development expenses by RMB14.4 million as a result of the Group's cost-saving measures to lower the contracted costs, material costs and inspection costs with regard to research and development activities; (iii) the decrease in other losses by approximately RMB12.1 million due to a relatively high impairment of prepayment for SMIA Business in the prior year; (iv) the reversal of impairment on financial assets and contract assets of approximately RMB7.0 million whereas the corresponding impairment losses were approximately RMB1.9 million in the prior year; and (v) the decrease in selling and marketing expenses and general and administrative expenses in an aggregated amount of approximately RMB9.0 million as the Group implemented the streamlining of staff structure and cost-reduction measures in response to the decline in the Group's revenue in FY2025.

Finance costs

The Group's finance costs amounted to approximately RMB11.8 million, RMB11.1 million and RMB8.2 million for FY2023, FY2024 and FY2025, respectively, representing approximately 12.5%, 9.1% and 8.9% of the Group's total revenue for the respective year. The Group's finance costs were mainly incurred in respect of the interest expenses on bank and other borrowings. While the Group had relatively stable finance costs for FY2023 and FY2024, such finance costs decreased to approximately RMB8.2 million for FY2025 as a result of net repayment of bank loans and other borrowings in the amount of approximately RMB4.1 million and RMB55.2 million, respectively.

In October 2025, the Company completed a rights issue (the “**2025 Rights Issue**”) with designated net proceeds of (i) approximately HK\$64.2 million or 80% for repayment of the Group's current liabilities, specifically those debts, liabilities, or other payables that were expected to be due and payable within twelve months; and (ii) approximately HK\$16.1 million or 20% for general corporate and administrative working capital purposes including staff costs, rental expenses and business development expenses. In light of the Group's net loss position from operations, the relatively high finance costs have exacerbated financial burden of the Group in recent years, which might explain the Group's intention to repay a portion of its bank and other borrowings through the 2025 Rights Issue for alleviating its liquidity pressure and finance cost burden.

Loss for the year

As a result of the foregoing, the Group recorded a net loss of approximately RMB143.6 million, RMB73.5 million and RMB23.7 million for FY2023, FY2024 and FY2025, respectively. Overall, the challenges encountered by the Group in respect of its AMR and SMIA Businesses in the recent years had exerted notable impacts on its operating and financial performance.

Set out below is the consolidated financial position of the Company as at 31 December 2023, 31 December 2024 and 31 December 2025 as extracted from the 2024 Annual Report and the 2025 Annual Report.

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	As at 31 December		
	2023	2024	2025
	(audited)	(audited)	(audited)
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	16,917	14,570	12,101
Right-of-use assets	8,458	—	2,153
Intangible assets	11,754	113,039	99,154
Deferred tax assets	846	835	1,129
Deposit paid for acquisition	<u>60,000</u>	<u>—</u>	<u>—</u>
Non-current assets	<u>97,975</u>	<u>128,444</u>	<u>114,537</u>
Inventories	22,290	11,335	1,381
Trade and other receivables	91,686	77,777	80,700
Restricted bank deposits	2,618	3,834	—
Bank and cash balances	<u>35,919</u>	<u>15,183</u>	<u>17,009</u>
Current assets	<u>152,513</u>	<u>108,129</u>	<u>99,090</u>
Total assets	<u>250,488</u>	<u>236,573</u>	<u>213,627</u>
Deferred income	751	627	480
Lease liabilities	4,237	—	1,531
Deferred tax liabilities	929	615	336
Contingent consideration	—	603	7,506
Borrowings	<u>108,705</u>	<u>56,940</u>	<u>140,029</u>
Total non-current liabilities	<u>114,622</u>	<u>58,785</u>	<u>149,882</u>
Trade and other payables	74,530	83,114	53,412
Contract liabilities	12,184	10,964	16,360
Borrowings	76,587	190,204	39,020
Lease liabilities	4,455	—	730
Income tax payables	<u>2,643</u>	<u>4,852</u>	<u>8,410</u>
Total current liabilities	<u>170,399</u>	<u>289,134</u>	<u>117,932</u>
Equity attributable to the Shareholders	(28,888)	(105,701)	(48,542)
Non-controlling interests	<u>(5,645)</u>	<u>(5,645)</u>	<u>(5,645)</u>
Total deficit	<u>(34,533)</u>	<u>(111,346)</u>	<u>(54,187)</u>
Total equity and liabilities	<u>250,488</u>	<u>236,573</u>	<u>213,627</u>
Net current liabilities	<u>(17,886)</u>	<u>(181,005)</u>	<u>(18,842)</u>

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Non-current assets and current assets

As at 31 December 2023, 31 December 2024 and 31 December 2025, the Group's total assets demonstrated a declining trend, which amounted to approximately RMB250.5 million, RMB236.6 million and RMB213.6 million, respectively.

As at 31 December 2023, the Group's non-current assets amounted to approximately RMB98.0 million, which mainly consisted of (i) approximately 61.2% or RMB60.0 million of deposit paid for the Acquisition; (ii) approximately 17.3% or RMB16.9 million of property, plant and equipment; and (iii) approximately 12.0% or RMB11.8 million of intangible assets. As at 31 December 2024, the Group's non-current assets increased to approximately RMB128.4 million, which mainly comprised (a) approximately 88.0% or RMB113.0 million of intangible assets, and the relevant increase was primarily resulted from the Acquisition; and (b) approximately 11.3% or RMB14.6 million of property, plant and equipment. As at 31 December 2025, the Group's non-current assets amounted to approximately RMB114.5 million, whereas intangible assets and property, plant and equipment continued to be a major composition, representing approximately 86.6% or RMB99.2 million and 10.6% or RMB12.1 million, respectively.

The Group's current assets showed an overall downward trend due to the declining carry value of inventories, trade and other receivables and bank and cash balances as at 31 December 2025 as compared to those as at 31 December 2023. As at 31 December 2023, the Group's current assets amounted to approximately RMB152.5 million, which mainly included (i) approximately 60.1% or RMB91.7 million of trade and other receivables; (ii) approximately 23.6% or RMB35.9 million of bank and cash balances; and (iii) approximately 14.6% or RMB22.3 million of inventories. As at 31 December 2024, the Group's current assets decreased to approximately RMB108.1 million, which primarily comprised (a) approximately 71.9% or RMB77.8 million of trade and other receivables; (b) approximately 14.0% or RMB15.2 million of bank and cash balances; and (c) approximately 10.5% or RMB11.3 million of inventories.

The Group's current assets further decreased to approximately RMB99.1 million as at 31 December 2025, which mainly included (i) approximately 81.4% or RMB80.7 million of trade and other receivables; (ii) approximately 17.2% or RMB17.0 million of bank and cash balances; and (iii) approximately 1.4% or RMB1.4 million of inventories.

Borrowings

The Group's total borrowings amounted to approximately RMB185.3 million, RMB247.2 million and RMB179.0 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively. The Group is considered to be in a highly leveraged position as its debt ratio (calculated as total borrowings divided by total assets) reached approximately 74.0%, 104.5% and 83.8% as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively.

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As at 31 December 2023, total borrowings of the Group were approximately RMB185.3 million, which mainly comprised (i) the SRA Loan (as defined below, being the predecessor of Linker Loan) in a principal amount of approximately HK\$120.0 million, which arose from the Group's debt restructuring and refinancing for the SRA CB (as defined below) issued in August 2018; (ii) the GL Loan and FXQ Loan in principal amounts of approximately RMB13.0 million and HK\$33.0 million, respectively, for partial payment of consideration in respect of the Acquisition.

The Group's total borrowings increased from approximately RMB185.3 million as at 31 December 2023 to approximately RMB247.2 million as at 31 December 2024 mainly due to (i) the increase of other borrowings of approximately RMB56.5 million mainly resulted from the additional borrowings of approximately RMB50.0 million, including the NJ Loan in the principal amount of approximately RMB22.5 million, which were utilised for settling the remaining balance of the consideration of the Acquisition; and (ii) net addition of bank loans of approximately RMB5.4 million. Amongst the additions of total borrowings, the Group obtained the ZX Loan (being the predecessor of GEOS Loan) in June 2024 with a principal amount of approximately RMB3.0 million (with its loan principal being subsequently increased to approximately RMB3.5 million pursuant to a supplemental loan agreement dated 20 September 2025) for supporting the Group's operations and working capital, including supply purchases and salary payments.

As at 31 December 2025, the Group's total borrowings decreased by approximately RMB68.1 million to approximately RMB179.0 million. Such decrease was mainly because the Group utilised the entire designated net proceeds of approximately HK\$64.2 million (representing 80% of total net proceeds) from the 2025 Rights Issue to repay a portion of its outstanding borrowings. Despite the foregoing debt repayment, the Group obtained the Haihua Loan in an aggregated principal amount of approximately RMB4.0 million in FY2025 for repayment of certain borrowings falling due by 30 June 2025 and for general working capital purposes, such as supply purchases and salary payments.

While the Group recorded net loss positions and incurred relatively high finance costs over the three recent financial years, its highly leveraged position raised concerns as to whether the Group possesses sufficient financial resources to repay its borrowings when they fall due. In particular, notwithstanding the Group's efforts to reduce its debt level through equity raising exercise with the 2025 Rights Issue, the Group's cash and bank balances of approximately RMB17.0 million as at 31 December 2025 was substantially lower than its total borrowings of approximately RMB179.0 million, comprising of current borrowings of approximately RMB39.0 million and non-current borrowings of approximately RMB140.0 million. Further, taking into account the Group's net current liabilities of approximately RMB18.8 million as at 31 December 2025 (as more detailed below) and the fact that intangible assets represented approximately 86.6% of the Group's non-current assets, the Group's asset base appears to be insufficient to cover its outstanding borrowings in full.

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Net current liabilities

The Group recorded net current liabilities of approximately RMB17.9 million, RMB181.0 million and RMB18.8 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively, while its current ratio was approximately 0.9 times, 0.4 times and 0.8 times as at the respective dates. The relatively higher net current liabilities as at 31 December 2024 as compared to those as at 31 December 2023 and 31 December 2025 was mainly attributable to (i) the increase of current borrowings as the SRA Loan (being the predecessor of Linker Loan) was classified as current borrowings as at 31 December 2024 as it became due within one year; and (ii) the decrease in current liabilities of the Group as at 31 December 2025 mainly as a result of the repayment of loans and payables with the use of proceeds from the 2025 Rights Issue. Overall, the financial condition of net current liabilities exposes the Group to significant liquidity pressure and uncertainties to meet its short-term payment obligations.

Total deficit

As at 31 December 2023, 31 December 2024 and 31 December 2025, the Group recorded a total deficit of approximately RMB34.5 million, RMB111.3 million and RMB54.2 million, respectively, of which approximately RMB28.9 million, RMB105.7 million and RMB48.5 million was attributable to the Shareholders. As a whole, despite the reduction in total deficit following the 2025 Rights Issue, the Group's continued net loss positions and insufficient asset base to cover its liabilities reflect a fundamental financial fragility to sustain its ordinary business operations.

As a result of the financial conditions indicating a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, the Company's auditor did not express an opinion on the consolidated financial statements of the Company for FY2025 due to the potential interactions of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements, according to the independent auditor's report contained in the 2025 Annual Report.

2. Information on the Connected Subscribers and the relevant Subscriber Loans

Linker

Linker, a company incorporated in Hong Kong with limited liability, is an investment holding company and beneficially wholly owned by Mr. Ning.

Set out below are the details on the Linker Loan:

Creditor	:	Linker
Borrower	:	(i) The Company; (ii) Risecomm Co., Ltd. (" Risecomm Cayman "), a direct wholly-owned subsidiary of the Company; and (iii) Risecomm (HK) Technology Co. Limited (" Risecomm HK "), an indirect wholly-owned subsidiary of the Company.

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- Date of loan agreement : The SRA Loan (as defined below) was assigned to Linker pursuant to the loan assignment agreement on 18 May 2026. (the “**Linker Loan Assignment**”). Pursuant to the Linker Loan Assignment, SRA has agreed to assign all the rights and obligations of the SRA Loan including the claim of the principal amount and the relevant interests in the aggregate amount of approximately HK\$121,025,000 to Linker. Please refer to “Reasons for borrowing” below regarding background on the SRA Loan. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, there is no relationship between SRA and Linker and their respective ultimate beneficial owners.
- Other counterparty : N/A
- Original loan amount (*as at the date of entering into the original loan agreement*) : HK\$120,000,000 (securities provided for the loan included (i) Risecomm Cayman and Risecomm HK be jointly and severally liable for all debts; (ii) two post-dated cheques (as a kind of collaterals to SRA) each with an amount of HK\$15,000,000, with settlement dates on 30 September 2022 and 31 January 2023; and (iii) share pledge over all shares of Risecomm Cayman and Risecomm HK)
- Reasons for borrowing : The Company issued fixed rate senior convertible bonds to SRA in the aggregate principal amount of HK\$150,000,000 at a rate of 4% per annum on 13 August 2018 (the “**SRA CB**”). Before the maturity date, the Company repaid principal amount of HK\$30,000,000 and all interests accrued.

Due to the lack of sufficient funds to redeem the SRA CB, SRA and the Company agreed to restructure the debt into a secured loan and applied interest rate of 3.6% per annum for the outstanding principal amount of HK\$120,000,000 (the “**SRA Loan**”). SRA as lender, and the Company, Risecomm Cayman and Risecomm HK, as borrowers, entered into a repayment agreement on 2 September 2022 accordingly. The parties further entered in supplemental repayment agreement on 11 August 2023 and 11 August 2025, respectively.

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The SRA CB was intended to be used for acquisition of Beijing Hongteng Weitong Technology Co., Ltd. (北京鴻騰偉通科技有限公司) and supported general working capital requirements.

Actual usage of the loan	:	The funds from the SRA CB were applied as intended.
Interest rate	:	Before 11 August 2025, interest of the SRA Loan was 2.5% per annum, and thereafter 3.15% per annum. After 12 February 2026, the interest rate of the SRA Loan is 3.6% per annum.
Due date	:	11 August 2033
Outstanding balance (<i>as at the date of the Linker Loan Capitalisation Agreement</i>)	:	(a) Outstanding principal: HK\$120,000,000 (b) Outstanding interest balance: HK\$1,025,700 (c) Amount repaid: HK\$1,905,500 (interest)

Mr. Ning

Mr. Ning joined the Group in August 2024 and is a senior management of the Group. Mr. Ning has been the executive director and general manager of Risecomm Wuxi and Risecomm Shenzhen since he joined the Group, and both companies are involved in the Group's automatic meter reading and related business. Mr. Ning held 2,556,000 Shares, representing approximately 1.18% of issued Shares as at the Latest Practicable Date.

Mr. Ning has over 30 years of experience in the real estate and energy-related fields. From 1993 to 2001, Mr. Ning worked in Shanghai Far East Group, where he successively held positions including the business development and management of the Hong Kong business department, general manager of the group's International Trade Center, and director of the real estate business. From 2001 to 2006, Mr. Ning served as the general manager of Shanghai Ruisuo Investment Co., Ltd., an oil investment company. Since 2006, Mr. Ning has been the chairman of Enrich Developments, a Canadian company engaging in trading business of elevator and auto parts. In the meantime, since 2020, Mr. Ning has also served as the chairman of Enrich Energy, another Canadian company engaging in development of smart home systems.

Set out below are the details on the NJ Loan:

Creditor	:	Mr. Ning
Date of loan agreement	:	18 March 2024
Other counterparty	:	N/A

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Original loan amount (*as at the date of entering into the original loan agreement*) : RMB22,500,000 (not secured by assets of the Group)

Reasons for borrowing : For acquisition of 100% of the total issued shares of Zhongyi BVI from Ms. Zhu, which was completed in March 2024.

Mr. Ning had been a Shareholder prior to the NJ Loan. In June 2023, Mr. Ning held approximately 9.52% of the issued share capital of the Company. His shareholding percentage was subsequently diluted mainly as a result of the increase in the issued share capital of the Company following subsequent equity fundraisings and corporate actions of the Company. Accordingly, although Mr. Ning held approximately 1.18% of the issued share capital of the Company at the time of entering into the NJ Loan, he had been an existing Shareholder and was familiar with the Group before the NJ Loan was entered into. In view of Mr. Ning's existing shareholder relationship with the Company, his familiarity with the Group and his support for the Group's business development, the Company approached Mr. Ning for funding support for the acquisition of Zhongyi BVI.

Actual usage of the loan : The loan was applied as intended.

Interest rate : 3.5% per annum

Due date : 25 March 2026

Outstanding balance (*as at the date of the NJ Loan Capitalisation Agreement*) :
 (a) Outstanding principal: RMB13,638,300
 (b) Outstanding interest balance: HK\$1,555,300
 (c) Amount repaid: HK\$8,861,700 (principal)

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Ms. Guo

Ms. Guo is a non-executive Director. She was appointed as an executive Director and the chairman of the Board on 5 June 2023 and has ceased to be the chairman of the Board and re-designated as a non-executive Director since 28 June 2024.

From September 2023 to June 2024, Ms. Guo was a director of Risecomm Shenzhen, Risecomm HK, Risecomm Cayman, Harvest Year Global Limited, Prime Key Holdings Limited, and was a general manager of Risecomm (HK) Holding Co. Limited. From January 2024 to June 2024, she was a director of Shangyi (BVI) International Limited. From March 2024 to June 2024, she was a director of Zhongyi BVI; and from April 2024 to June 2024, she was a director of Zhongyi (Hong Kong) International Limited. All of the aforesaid companies are subsidiaries of the Company.

Set out below are the details on the GL Loan:

Creditor	:	Ms. Guo
Borrower	:	The Company
Date of loan agreement	:	Original loan agreement dated 24 November 2023, and supplemented by supplemental loan agreement dated 20 January 2025.
Other counterparty	:	N/A
Original loan amount (<i>as at the date of entering into the original loan agreement</i>)	:	RMB13,000,000 (not secured by assets of the Group)
Reasons for borrowing	:	For acquisition of 100% of the total issued shares of Zhongyi BVI from Ms. Zhu, which was completed in March 2024.
Actual usage of the loan	:	The loan was applied as intended.
Interest rate	:	2.5% per annum
Due date	:	The original repayment date on 23 November 2025 was extended to 28 November 2026.
Outstanding balance (<i>as at the date of the GL Loan Capitalisation Agreement</i>)	:	(a) Outstanding principal: RMB11,006,700 (b) Outstanding interest balance: RMB741,000 (c) Amount repaid: RMB1,993,300 (principal)

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The following summary table sets out the number and principal amount of Connected Capitalisation Shares and Connected Bonds to be issued to each of the Connected Subscribers and amount of relevant Subscriber Loans to be settled with each of the Connected Subscribers.

Connected Subscriber	Number of relevant Connected Capitalisation Shares to be issued to the Connected Subscriber	Principal amount of relevant Connected Bonds to be issued to the Connected Subscriber	Amount of relevant Subscriber Loans to be settled with the Connected Subscriber (<i>Note</i>)
Linker	52,620,000	HK\$96,820,800	HK\$121,026,000
Mr. Ning	7,623,913	HK\$14,028,000	HK\$17,535,000
Ms. Guo	5,894,783	HK\$10,846,400	HK\$13,558,000

Note: Discrepancies of respective amounts of relevant Subscribers Loans to be settled with the Connected Subscribers as compared to relevant outstanding principal loan amounts and interest balance in the above details on the relevant Subscribers Loans are solely attributable to rounding adjustments and the currency conversion between RMB and HK\$ at the exchange rate of RMB0.86649:HK\$1 as of 27 May 2026 (i.e. date of the Loan Capitalisation Agreements).

With reference to the Letter from the Board, the allocation of Connected Capitalisation Shares and Connected Bonds for each Connected Subscriber was determined with reference to the relevant outstanding Subscriber Loan amount the Group owed to each Connected Subscriber and the mutually agreed ratio that 20% of the relevant Subscriber Loans shall be settled with the issuance of the Connected Capitalisation Shares and 80% of the Connected Subscriber Loans shall be settled with the issuance of the Connected Bonds. A ratio of 20:80 between the Connected Capitalisation Shares and the Connected Bonds was agreed between the Company and the Connected Subscribers after arm's length negotiation taking into account, among other things: (i) the need to achieve an immediate reduction in the relevant outstanding Subscriber Loans through the issuance of the Connected Capitalisation Shares; (ii) the potential immediate dilution effect on the existing Shareholders arising from the issuance of the Connected Capitalisation Shares; (iii) the willingness of the Connected Subscribers to defer the repayment of a substantial portion of the relevant Subscriber Loans by accepting the Connected Bonds; and (iv) the opportunity for the Company to achieve further deleveraging in the future upon conversion of the Connected Bonds.

In determining the proportion of the relevant Subscriber Loans to be capitalised into the Connected Capitalisation Shares, the Company also took into account that, based on the 20:80 ratio, the aggregate shareholding of the Connected Subscribers immediately following the issuance of the Connected Capitalisation Shares would remain below 30% of the enlarged issued share capital of the Company. The Board considered that such arrangement would help preserve the existing shareholding structure of the Company, avoid any material immediate change thereto and limit the dilution effect on the existing Shareholders.

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The Board considered that a higher proportion of Connected Capitalisation Shares would result in a greater immediate reduction in indebtedness, but would also cause a more significant immediate dilution to the existing Shareholders and could cause a more significant immediate change in the shareholding structure of the Company. Conversely, a lower proportion of Connected Capitalisation Shares would reduce the immediate dilution effect but would result in a smaller immediate reduction in the Company's indebtedness. Having balanced the above considerations, the Company and the Connected Subscribers agreed that the 20:80 ratio represented an appropriate commercial compromise between achieving an immediate reduction in indebtedness, preserving the existing shareholding structure of the Company and limiting the immediate dilution effect on the existing Shareholders.

Although the majority of the relevant Subscriber Loans would be settled in the form of Connected Bonds, which are still debt in nature before any conversion, taking into account that (i) the Connected Bonds bear no interest which will reduce the financial burden of the Group's ongoing interest repayment obligation under the relevant Subscriber Loans and preserve cash flow for operation use of the Group; and (ii) the Connected Bonds will become non-current liabilities of the Group as opposed the relevant Subscriber Loans constitute current liabilities of the Group, the Directors considered that the aforesaid 20:80 ratio could effectively improve the financial position of the Group and is in the interest of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, save as Ms. Guo being a non-executive Director, the Company has no intention to appoint any Subscribers or their ultimate beneficial owners as the members of the Board.

Save as disclosed in the Letter from the Board, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, among other things, (i) Ms. Guo is a non-executive Director and a connected person of the Company, and she has no relationship with other Subscribers; (ii) Linker is wholly owned by Mr. Ning, which a connected person of the Company, and it has no relationship with other Subscribers except Mr. Ning; and (iii) Mr. Ning is a Shareholder and a connect person of the Company, and sole owner of Linker, and he has no relationship with other Subscribers except Linker.

3. Reasons for and benefits of the transactions contemplated under the Connected Loan Capitalisation Agreements

With reference to the Letter from the Board, the transactions contemplated under the Connected Loan Capitalisation Agreements form part of the Group's broader debt restructuring plan under the Loan Capitalisation and the Placing. The Company considers that the Loan Capitalisation would enable it to settle a substantial portion of its outstanding indebtedness without immediate utilisation of its existing cash resources, while the Placing is intended to raise additional funds for repayment of other outstanding borrowings. The Company further considers that such arrangements would alleviate repayment pressure, preserve liquidity for business operations and improve its financial position.

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The Directors consider that the terms of the Loan Capitalisation Agreements are fair and reasonable based on the current market conditions and are on normal commercial terms, accordingly, the Loan Capitalisation is in the interests of the Company and the Shareholders as a whole.

Our view

In assessing the reasons for and benefits of the transactions contemplated under the Connected Loan Capitalisation Agreements, we have independently considered the financial position of the Group, its funding needs and the circumstances surrounding the proposed debt restructuring.

As at 31 December 2025, the Group had bank and cash balances of approximately RMB17.0 million as compared with current borrowings of approximately RMB39.0 million, and recorded net current liabilities and total deficit attributable to the Shareholders of approximately RMB18.8 million and RMB48.5 million, respectively. Furthermore, the auditor of the Company issued a disclaimer of opinion on the Company's consolidated financial statements for FY2025 due to uncertainties relating to the Group's ability to continue as a going concern. As disclosed in the Letter from the Board, the Group's bank and cash balances decreased to approximately RMB9.3 million as at 30 June 2026, while the expected fund required to finance the Group's business operations with reference to the annual operating expenses of the Group amounted to approximately RMB60.7 million based on the selling and marketing expenses, general and administrative expenses, and research and development expenses incurred for the year ended 31 December 2025. In our view, the aforesaid circumstances indicate that the Group was facing significant liquidity pressure and was reliant on successful debt restructuring and/or other financing measures to meet the imminent repayment obligations of its current borrowings.

Amongst the relevant Subscriber Loans subject to the transaction contemplated under the Connected Loan Capitalisation Agreements, we note that the NJ Loan of approximately RMB15.2 million had fallen due in March 2026, while the GL Loan of approximately RMB11.7 million will become due soon in November 2026. Having considered the net cash used in operating activities of the Group recorded for FY2024 and FY2025, and given the Group's existing liquidity position and limited cash resources which are required to be maintained for financing the Group's existing businesses and operations, we consider that repayment of such indebtedness with the Group's internal resources alone would be unlikely, and the need for pursuing the transactions contemplated under the Connected Loan Capitalisation Agreements is genuine and imminent.

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In the absence of the transactions contemplated under the Connected Loan Capitalisation Agreements, the Group would likely need to seek alternative financing, refinancing or debt extension arrangements to satisfy its imminent repayment obligations. However, having regard to the Group's financial position, including its loss-making track record, net current liabilities position, deficit attributable to the Shareholders position and the going concern uncertainties qualified by the auditor, we consider that the Group may encounter difficulties in obtaining additional debt financing on commercially acceptable terms, if at all. Furthermore, equity fundraising such as rights issue or open offer may also be challenging under the prevailing circumstances and would likely be subject to relatively longer implementation time, higher costs and completion risk, with uncertainties as to the final fundraising amount which may not adequately address the Group's imminent repayment obligations. Accordingly, we consider that the availability and effectiveness of alternative financing options are subject to considerable uncertainty.

In respect of the Linker Loan, we note that it is not scheduled to mature until August 2033 and therefore does not give rise to immediate repayment pressure. Nevertheless, we consider it commercially reasonable for such borrowing to be included in the transactions contemplated under the Connected Loan Capitalisation Agreements. In particular, we understand that the Linker Loan and NJ Loan are beneficially held by the same creditor (i.e. Mr. Ning). As such, we consider it reasonable for the Company and the creditor to negotiate the restructuring of their overall indebtedness exposure on a holistic basis. From a commercial perspective, creditors participating in a debt restructuring exercise would typically consider their aggregate exposure to the borrower when determining the terms of the restructuring.

We further consider that the inclusion of the Linker Loan in the proposed debt restructuring plan is consistent with the Company's objective of improving its overall financial position and capital structure, rather than merely addressing imminent repayment obligations. As at 31 December 2025, the Group had total borrowings of approximately RMB179.0 million, a deficit attributable to the Shareholders of approximately RMB48.5 million and was subject to going concern uncertainties qualified by the auditor. In such circumstances, we consider it justifiable for the Company to seek to restructure a broader portion of its indebtedness as part of a comprehensive debt restructuring plan covering substantially all of its outstanding borrowings under the Loan Capitalisation and the Placing.

In addition, the replacement of approximately HK\$96.8 million (equivalent to approximately RMB83.9 million) of the Linker Loan with the Linker Bond, being zero-coupon convertible bond, is expected to eliminate future interest expenses associated with such borrowing and preserve cash flow for operational use. Based on the outstanding amount of approximately HK\$96.8 million (equivalent to approximately RMB83.9 million) of the Linker Loan to be replaced by the Linker Bond and the applicable interest rate of 3.6% per annum, the Group would avoid annual interest expenses of approximately RMB3.0 million so long as such indebtedness remains outstanding. We consider such reduction in finance costs to be a meaningful benefit given the Group's loss-making position and net current liabilities position in recent years.

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Furthermore, while the Linker Bond will remain liability of the Group until conversion or maturity, it provides a mechanism through which the liability may potentially be converted into equity in the future, subject to the conversion restrictions of the Linker Bonds. Accordingly, the Linker Bond, as well as the GL Bond and NJ Bond, may provide an opportunity for future deleveraging and reduction in gearing if and when the conversion rights are exercised. The facts that (i) Linker is wholly-owned by Mr. Ning, who is a senior management of the Group; and (ii) Linker accepted the Company's loan capitalisation proposal demonstrate Mr. Ning's confidence in, and commitment to, the long-term prospects of the Group. The Directors consider it beneficial to the Group that Mr. Ning becomes a substantial Shareholder upon the issuance of the Capitalisation Shares, because it helps align Mr. Ning's financial interest with the Group's overall growth, boosts morale and encourages long-term retention.

Against the above background, we consider it commercially reasonable for the Company to seek to restructure a substantial portion of its indebtedness through the transactions contemplated under the Connected Loan Capitalisation Agreements. We also note that the transactions contemplated under the Connected Loan Capitalisation Agreements form part of the Group's broader debt restructuring plan under the Loan Capitalisation and the Placing, which is intended to provide additional funding for the repayment of other borrowing which are already fallen due or falling due by end of 2026. Viewed as a whole, the arrangements demonstrate the Group's efforts to address its debt obligations and improve its financial position through a combination of debt restructuring and fund-raising measures.

From the perspective of the Independent Shareholders, we recognise that the transaction contemplated under the Connected Loan Capitalisation Agreements will result in dilution to their shareholding interests. Nevertheless, having regard to the Group's financial position, liquidity constraints and repayment obligations, we consider that the transaction contemplated under the Connected Loan Capitalisation Agreements provide a practical means for the Group to implement its debt restructuring plan without requiring substantial immediate cash outflows. Accordingly, we consider that the dilution effect should be considered in the context of the overall benefits expected to be derived from the transaction contemplated under the Connected Loan Capitalisation Agreements. Moreover, the facts that (i) Linker is wholly-owned by Mr. Ning, who is a senior management of the Group; and (ii) Linker and Mr. Ning accepted the Company's loan capitalisation proposal and would become a substantial Shareholder upon completion of the allotment and issue of the relevant Connected Capitalisation Shares, demonstrate Mr. Ning's confidence in, and commitment to, the long-term prospects of the Group and would align Mr. Ning's financial interest with the Group's future prospects and the interest of other Shareholders.

Having considered the above, we are of the view that the transaction contemplated under the Connected Loan Capitalisation Agreements are supported by reasonable commercial rationale and constitutes a reasonable component of the Group's overall debt restructuring plan.

4. Principal terms of the Connected Loan Capitalisation Agreements

Principal terms of the Connected Loan Capitalisation Agreements are set out as follows:

Date: 27 May 2026

Parties: (i) the Company, as the issuer; and
(ii) the Connected Subscribers

Under the Connected Loan Capitalisation Agreements, the Connected Subscribers will subscribe (i) 66,138,696 Capitalisation Shares (the “**Connected Capitalisation Shares**”) in aggregate at the Loan Capitalisation Price of HK\$0.46 per Share; and (ii) the GL Bond, NJ Bond and Linker Bond (collectively the “**Connected Bonds**”) in the aggregate principal amount of HK\$121,695,200, which are convertible into an aggregate of 264,554,782 Conversion Shares (the “**Connected Conversion Shares**”) at the initial conversion price of HK\$0.46 per Share. Upon the completion of the transactions contemplated under the respective Connected Loan Capitalisation Agreements, all liabilities under the relevant Subscriber Loans of the Connected Subscribers shall be deemed fully paid, settled and discharged.

The Connected Capitalisation Shares and the Connected Conversion Shares

The 66,138,696 Connected Capitalisation Shares represent (i) approximately 30.65% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 23.46% of the number of Shares in issue as enlarged by the allotment and issue of the Connected Capitalisation Shares, assuming there will be no changes in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Connected Capitalisation Shares.

Based on (i) 215,813,840 Shares in issue as at the Latest Practicable Date; and (ii) 264,554,782 Connected Conversion Shares to be issued and allotted upon full conversion of the Connected Bonds, 264,554,782 Connected Conversion Shares will represent (i) approximately 122.58% of the total number of Shares in issue as at the Latest Practicable Date; (ii) approximately 48.41% of the number of Shares in issue as enlarged by the allotment and issue of the Connected Capitalisation Shares and the Connected Conversion Shares.

The Connected Capitalisation Shares and Connected Conversion Shares will rank, upon issue, *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of the Connected Capitalisation Shares and Connected Conversion Shares.

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Principal terms of the Connected Bonds

The principal terms of the Connected Bonds are set out as follows:

Issuer:	The Company
Principal amount:	(i) Linker Bond HK\$96,820,800 (ii) NJ Bond HK\$14,028,000 (iii) GL Bond HK\$10,846,400
Interest:	Nil
Maturity date:	The date falling on the third anniversary of the date of issue of the Connected Bonds (“ Maturity Date ”)
Conversion Period:	The period commencing from the date on which the Connected Bonds are issued to the Connected Subscribers up to and including the Maturity Date (“ Conversion Period ”).
Conversion right and restriction:	The Connected Subscribers shall have the right at any time during the Conversion Period to convert all or any part of the outstanding principal amount of Connected Bonds subject to the extent that: (i) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules for the minimum percentage of Shares being held by the public); and (ii) the conversion of the Connected Bonds does not result in the holders of the Connected Bonds and/or the parties acting in concert with any of them and/or their respective associates being interested in such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the holder(s) of the Connected Bonds which exercised the conversion rights unless a whitewash waiver is granted by the Securities and Futures Commission of Hong Kong for such purpose or the holder(s) of the Connected Bonds shall fulfill the mandatory general offer obligation under Rule 26 of the Takeovers Code.

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Transferability:	The Connected Subscribers may transfer the Connected Bonds in whole or in part to other persons provided that no transfer of the Connected Bonds shall be made to any connected persons of the Company, and compliance with the Listing Rules and all applicable laws and regulations.
Conversion price adjustments:	The initial conversion price of HK\$0.46 per Share shall be subject to adjustment upon the occurrence of the following events: (i) consolidation, subdivision or reclassification of Shares; (ii) capitalisation of profits or reserves; (iii) capital distribution; (iv) rights issues of Shares or options over Shares; (v) rights issues of other securities; and (vi) issue of further Shares or securities. Detailed formulae of the conversion price adjustments are set out in the paragraph headed “Principal terms of Bonds” in the Letter from the Board.
Conversion Shares:	A maximum of 264,554,782 Connected Conversion Shares
Redemption at maturity:	Upon the expiry of the initial three-year tenor of the Connected Bonds, the Company shall have the sole discretion to extend the Maturity Date for another 6-month period by serving written notice to the holders of the Connected Bond one Business Day before the Maturity Date. Unless previously converted or cancelled, any part of the Connected Bonds which are not converted by the holders of the Connected Bonds during the Conversion Period, shall be redeemed by the Company on the Maturity Date in cash by paying such redemption amount which equals to the entire principal amount of the Connected Bonds (or such outstanding part thereof, whichever shall be appropriate).

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- Voting: The holders of the Connected Bonds shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of Connected Bonds.
- Application for listing: No application will be made for the listing of the Connected Bonds on the Stock Exchange or any other stock exchange.

Conditions precedent

Completion of each of the Connected Loan Capitalisation Agreements is conditional upon satisfaction or the waiver (as the case may be) of the following conditions precedent:

- (a) the Listing Committee of the Stock Exchange having granted approval for the listing of and permission to deal in the Connected Capitalisation Shares and the Connected Conversion Shares, and such approval not having been revoked before completion of the transactions under the respective Connected Loan Capitalisation Agreements;
- (b) the approval of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for the allotment and issue of the Connected Capitalisation Shares and the Connected Conversion Shares upon exercise of conversion rights of the Connected Bonds to the Connected Subscribers, by the Independent Shareholders at the EGM;
- (c) there has been no material breach of any representations, warranties or agreements by any parties to the Connected Loan Capitalisation Agreements prior to completion of the transactions under the respective Connected Loan Capitalisation Agreements; and
- (d) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder having been obtained.

Save for condition precedent (c) above which can be waived by the Connected Subscribers by notice in writing to the Company, none of the above conditions precedent may be waived by the Company or the Connected Subscribers. In the event that the conditions precedent are not fulfilled on or before the long stop date of the Connected Loan Capitalisation Agreements, the Connected Loan Capitalisation Agreements and all rights and obligations thereunder will cease and terminate and neither of the Company nor the Connected Subscribers will have any claim against the other for costs, damages, compensation or otherwise.

As at the Latest Practicable Date, none of the above conditions had been satisfied.

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Completion

The completion of the transactions contemplated under the respective Connected Loan Capitalisation Agreements will take place on or before the tenth (10) Business Day after the satisfaction or the waiver (as the case may be) of all the above conditions precedent (or such other date as the Company and the Connected Subscribers may agree in writing).

The Loan Capitalisation Agreements are not inter-conditional. According to the Letter from the Board, as the Group's current financial conditions indicate a material uncertainty as to the Group's ability to repay its debts as well as to continue as a going concern in view of the disclaimer of opinion in the 2025 Annual Report, both the Company and the Subscribers are eager to complete the Loan Capitalisation Agreements and, subject to the Shareholders' approval, the parties do not expect any unforeseeable circumstances which may create obstacles to the completion. In case of any unforeseeable event which may render completion of any Loan Capitalisation Agreements not to proceed, the Company intends to resume discussion with relevant creditors for extension of loan repayment, and will discuss with the Shareholders for any feasible financing solution including provision of Shareholders' loans. It is further disclosed in the Letter from the Board that, in case there are any unforeseeable circumstances for which the parties are unable to complete the Loan Capitalisation after obtaining Shareholders' approval at the EGM, or there is any material variation of the terms of any Loan Capitalisation Agreements, the Company will re-submit the transactions to the Independent Shareholders for approval and comply with other applicable requirements under the Listing Rules.

Specific Mandate

The Connected Capitalisation Shares and the Connected Conversion Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Connected Capitalisation Shares and the Connected Conversion Shares.

We have reviewed the principal terms of the Connected Loan Capitalisation Agreements and have noted that they are generally consistent with those under the GEOS Loan Capitalisation Agreement and Haihua Loan Capitalisation Agreement entered into between the Company and Independent Third Parties, indicating that the Connected Subscribers are not receiving more favourable terms than those offered to Independent Third Parties.

5. Assessment on the Loan Capitalisation Price

The Loan Capitalisation Price of HK\$0.46 represents:

- (a) a discount of approximately 11.54% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on 27 May 2026, being the date of the Loan Capitalisation Agreements;
- (b) a discount of approximately 13.21% to the average closing price of HK\$0.53 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the Loan Capitalisation Agreements;
- (c) a discount of approximately 18.87% to the average closing price of HK\$0.567 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately preceding the Loan Capitalisation Agreements; and
- (d) a discount of approximately 60.68% to the closing price of HK\$1.17 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

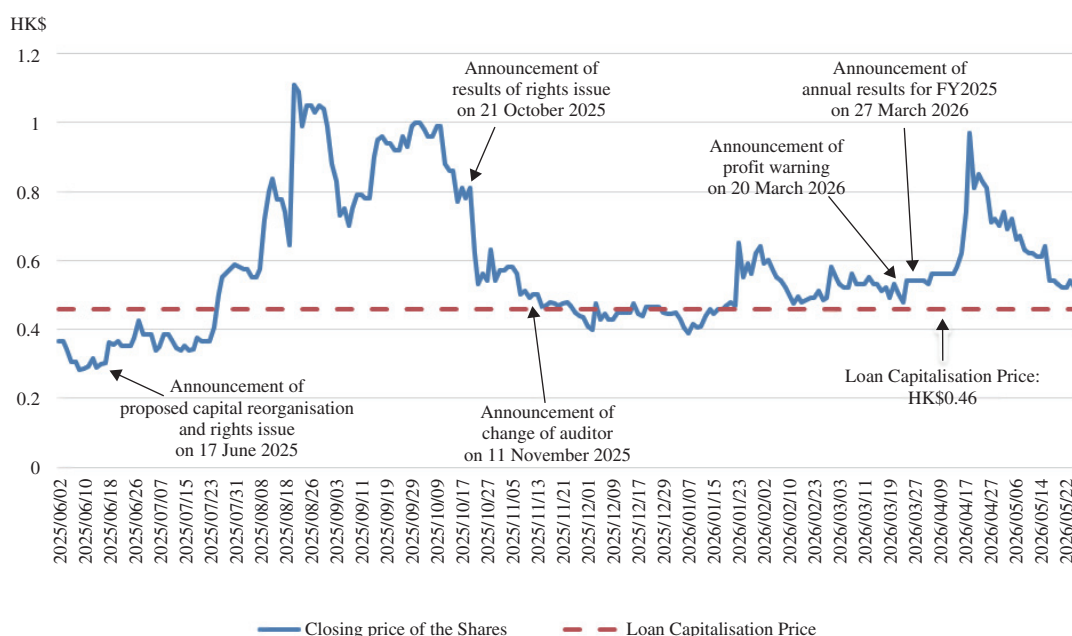
As disclosed in the Letter from the Board, the Loan Capitalisation Price of HK\$0.46 was determined after arm's length negotiation between the Company and the Subscribers taking into account (i) the recent trading performance of the Shares, which has been rather volatile during the six months period prior and up to the date of the Loan Capitalisation Agreements. During the such period, the Shares have been generally trading between HK\$0.39 and HK\$0.65 with an average closing Share price of approximately HK\$0.50 up to 14 April 2026, then the Share price swiftly rose to the peak of HK\$0.97 on 20 April 2026, but then lost momentum and has been on a downward trend since then up to the date of the Loan Capitalisation Agreements; (ii) the recent market conditions, with the Hang Seng Index being rather volatile, fluctuating between the lowest point of 24,382 and the highest point of 27,968 during the six months period prior and up to the date of the Loan Capitalisation Agreements, and dropping approximately 1.2% over the entire period; and (iii) the current financial position and business prospects of the Group, considering the revenue of the Group having dropped approximately 24.3% for the year ended 31 December 2025 and that the Group had been making losses for the three years ended 31 December 2025, while the Group recorded total deficit of approximately RMB54.2 million as at 31 December 2025. Looking forward, the Group is still expecting to faces various challenges, such as intensifying downside risks which dominate the economic outlook, uncertainties such as rebound in effective tariff rates, heightened policy uncertainty, and geopolitical tensions may further exacerbate market volatility. Based on the aforesaid, given the Group's financial position, the imminent needs to settle certain outstanding loans and the Company's limited financial resources, the Directors considered a discount to the prevailing market price would be necessary to incentivise the Subscribers to agree on terms of the Loan Capitalisation.

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Further, in addition to the aforesaid principal factors, as an alternative reference, the Company has identified and made reference to four market transactions (excluding outlier) involving subscription and issue of new shares (not A shares or PRC domestic shares) for loan/debt capitalisation announced by issuers on the Stock Exchange between January 2026 and May 2026 prior to the date of the Loan Capitalisation Agreements, all of which were completed as at the Latest Practicable Date. Details on such comparable market transactions are set out in the Letter from the Board. The loan capitalisation prices of such comparable market transactions represented (i) an average discount rate of approximately 12.57% of the closing price quoted on the Stock Exchange of relevant issuers as at the date of relevant transaction agreements, and (ii) an average discount rate of approximately 14.01% of the closing prices quoted on the Stock Exchange of relevant issuers for the last five (5) consecutive trading days immediately preceding the date of relevant transaction agreements. The respective discount rates of the Loan Capitalisation Price of approximately 11.54% and 13.21% are below that of the market transactions. Accordingly, the Board is of the view that the Loan Capitalisation Price is in line with the market.

Historical price performance of the Shares

In order to assess the fairness and reasonableness of the Loan Capitalisation Price, we have reviewed the closing price of the Shares as quoted on the Stock Exchange from 1 June 2025 to 27 May 2026, which covers around one-year period prior to and including the date of the Loan Capitalisation Agreements (the “**Review Period**”). We consider that the Review Period of around one year is a reasonable length of time to illustrate the historical Share price performance that minimises the impact of short-term Share price fluctuations. The closing price of the Shares during the Review Period are illustrated as follows:



Source: website of the Stock Exchange

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During the Review Period, the closing price of the Shares recorded a low of HK\$0.282 per Share on 9 June 2025 and a high of HK\$1.110 per Share on 20 August 2025, with an average closing price of approximately HK\$0.581 per Share.

The closing price of the Shares was generally on an upward trend from the beginning of the Review Period until the end of September 2025, during which (i) closing prices increased from HK\$0.365 on 2 June 2025 to HK\$1.00 on 30 September 2025; (ii) the announcement regarding proposed capital reorganisation and rights issue was issued by the Company on 17 June 2025; and (iii) closing price of the Shares peaked at HK\$1.110 per Share on 20 August 2025. Afterward, closing price of the Shares declined from HK\$1.00 on 2 October 2025 to HK\$0.53 on 23 October 2025. Since then, closing price of the Shares oscillated between HK\$0.39 and HK\$0.65 until early April 2026. Subsequently, closing price of the Shares experienced a spike which peaked at HK\$0.97 on 20 April 2026 and swiftly returned to HK\$0.52 on the date of the Loan Capitalisation Agreements, which was comparable to the price level in early April 2026 before the spike.

We note that the Loan Capitalisation Price of HK\$0.46 per Share (i) is within the range of the closing price of the Shares during the Review Period; and (ii) represents a discount of approximately 20.77% to the average closing price of the Shares of approximately HK\$0.581 during the Review Period.

While the Loan Capitalisation Price represents a discount to the average closing price of the Shares during the Review Period, we note that the average closing price of the Shares was influenced by periods of elevated trading prices, including the temporary price spikes in August 2025 and April 2026. Following such periods of elevated trading prices, the Share price did not sustain at those levels and subsequently reverted to materially lower levels. In particular, following the most recent price spike in April 2026, the Share price declined from a peak of HK\$0.97 on 20 April 2026 and returned to HK\$0.52 on the date of the Connected Loan Capitalisation Agreements, which was broadly in line with the trading levels prevailing from late October 2025 to early April 2026 prior to such price spike. The Loan Capitalisation Price is therefore not materially below the prevailing market price of the Shares at the relevant time and represented a discount of only approximately 11.54% to the closing price on the date of the Connected Loan Capitalisation Agreements.

We note that, subsequent to the announcement of the Loan Capitalisation and the Placing after the Stock Exchange trading hours on 27 May 2026 (the “**Announcement**”), the closing price of the Shares increased from HK\$0.52 on 27 May 2026 to HK\$0.90 on 28 May 2026 and further to HK\$1.17 on the Latest Practicable Date. However, we consider that the fairness and reasonableness of the Loan Capitalisation Price should principally be assessed by reference to the circumstances prevailing at the material time when the Loan Capitalisation Agreements were negotiated and entered into having regard that (i) the Loan Capitalisation Price was determined through arm’s length negotiations between the Company and the Subscribers before the Announcement, taking into account the then prevailing market price of the Shares, the Group’s financial position, its liquidity constraints, the uncertainty surrounding its business prospects and the prevailing market

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conditions prior to the Announcement; and (ii) in contrast, the post-Announcement Share price has incorporated the market's assessment of the proposed Loan Capitalisation and the Placing, including the anticipated improvement in the Group's liquidity position and capital structure if the transactions were completed. Such market reaction reflects the market's reassessment of the Group following the Announcement rather than the circumstances existing when the Loan Capitalisation Price was negotiated.

Comparable subscriptions/issues of shares under specific mandate

To further assess the fairness and reasonableness of the Loan Capitalisation Price, we have also independently searched on the website of the Stock Exchange to identify transactions in respect of subscription/issue of new shares under specific mandate with the following criteria: (i) the issuers are listed on the Stock Exchange; (ii) the subscriptions/issues of new shares were announced during the period from 1 December 2025 to 27 May 2026 (being approximately six months prior to and including the date of the Connected Loan Capitalisation Agreements); (iii) the new shares were not issued in connection with share incentive schemes, settlement of remuneration, acquisition transactions, corporate/debt restructuring under a scheme or takeovers of a listed company; (iv) excluding issues of A shares or PRC domestic shares; and (v) shareholders' approval in respect of the subscriptions/issues of new shares had been obtained as at the Latest Practicable Date.

We have identified an exhaustive list of 14 comparable transactions (the “**Comparable Share Issues**”) involving 13 issuers as set out in the table below which met the above selection criteria and consider such list to be fair and representative for the purpose of this analysis. We consider that the adoption of selection period of approximately six months is appropriate as it demonstrates the recent market trends with reasonable and representative number of recent Comparable Share Issues for the purpose of our analysis. Despite that the business and prospects of the Company are not the same as the issuers of the Comparable Share Issues, the Comparable Share Issues provide a general reference for the market practices of similar transaction during the selection period.

The following table sets forth (i) the premium/(discount) of the subscription/issue price over/to the closing price on/prior to the date of the relevant agreement of the Comparable Share Issues and the Connected Loan Capitalisation Agreements (“**LTD (Discount)/Premium**”); (ii) the premium/(discount) of the subscription/issue price over/to the average closing price for the last five consecutive trading days prior to/up to and including the date of the relevant agreement of the Comparable Share Issues and the Connected Loan Capitalisation Agreements (“**5-Day (Discount)/Premium**”); and (iii) the premium/(discount) of the subscription/issue price over/to the average closing price for

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the last ten consecutive trading days prior to/up to and including the date of the relevant agreement of the Comparable Share Issues and the Connected Loan Capitalisation Agreements (“**10-Day (Discount)/Premium**”):

Date of announcement	Company name (stock code)	Involving connected transaction (Yes/No)	LTD (Discount)/Premium (%)	5-Day (Discount)/Premium (%)	10-Day (Discount)/Premium (%)	Net asset/liability position (Note 1)	Audit opinion (Note 2)
5 December 2025	China Strategic Technology Group Limited (1725)	No	(20.00)	(20.68)	(20.57)	Net assets	Unqualified
21 December 2025	Weihai Bank Co., Ltd. (9677)	No	17.97	17.97	18.21	Net assets	Unqualified
24 December 2025	Energy International Investments Holdings Limited (353)	Yes	(18.33)	(19.67)	(20.97)	Net assets	Unqualified
31 December 2025	BGMC International Limited (1693)	No	(1.28)	—	9.33	Net liabilities	Unqualified
6 January 2026	BGMC International Limited (1693)	No	14.63	—	3.66	Net liabilities	Unqualified
16 January 2026	China Youran Dairy Group Limited (9858)	Yes	(8.84)	(17.89)	(19.98)	Net assets	Unqualified
16 January 2026	Gome Retail Holdings Limited (493)	No	—	5.63	6.38	Net liabilities	Disclaimer of opinion
20 January 2026	Virtual Mind Holding Company Limited (1520)	No	(8.60)	(11.64)	(15.34)	Net assets	Unqualified
13 February 2026	China Silver Group Limited (815)	No	(17.74)	(19.30)	(21.30)	Net assets	Unqualified
5 March 2026	China HK Power Smart Energy Group Limited (931)	Yes	—	(0.27)	(2.17)	Net assets	Unqualified
11 March 2026	China Financial International Investments Limited (721) (Note 3)	No	(29.82)	(26.47)	(27.80)	Net assets	Unqualified
22 March 2026 and 19 May 2026 (Note 4)	Chifeng Jilong Gold Mining Co., Ltd. (6693)	No	(29.10)	(26.50)	(26.70)	Net assets	Unqualified
2 April 2026	AOM International Group Company Limited (381)	No	(19.40)	(20.35)	1.12	Net assets	Unqualified
26 May 2026	Huicheng International Holdings Limited (1146)	Yes	88.70	93.80	89.75	Net assets	Unqualified
		Maximum	88.70	93.80	89.75		
		Minimum	(29.82)	(26.50)	(27.80)		
		Average	(2.27)	(3.24)	(1.88)		
		Median	(8.72)	(14.77)	(8.76)		
	The Connected Capitalisation Shares		(11.54)	(13.21)	(18.87)	Net liabilities	Disclaimer of opinion

Source: website of the Stock Exchange

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Notes:

1. Latest net asset/(liability) position is based on the latest published consolidated financial statements of the Company and the respective issuers involved in Comparable Share Issues prior to publication of the relevant announcements.
2. Latest audit opinion refers to the audit opinion expressed by auditors on the latest audited consolidated financial statements of the Company and the respective issuers involved in Comparable Share Issues prior to publication of the relevant announcements.
3. China Financial International Investments Limited obtained its shareholders' approval in respect of the relevant share subscription under specific mandate at the special general meeting held on 29 May 2026. As disclosed in the announcement of China Financial International Investments Limited dated 23 June 2026, the relevant share subscription was terminated.
4. The relevant subscription of new shares was first announced by Chifeng Jilong Gold Mining Co., Ltd. on 22 March 2026. Subsequently on 19 May 2026, adjustment on subscription price was announced by the company. The relevant LTD (Discount), 5-day (Discount) and 10-day (Discount) are based on the adjusted subscription price announced on 19 May 2026.

We have observed from the above table that:

- (i) the LTD (Discount)/Premium of the Comparable Share Issues ranged from a discount of approximately 29.82% to a premium of approximately 88.70%, with an average discount of approximately 2.27% and a median discount of approximately 8.72%. In this regard, the LTD (Discount) of the Connected Capitalisation Shares of approximately 11.54% is within the range, below the average and median of LTD (Discount)/Premium of the Comparable Share Issues;
- (ii) the 5-Day (Discount)/Premium of the Comparable Share Issues ranged from a discount of approximately 26.50% to a premium of approximately 93.80%, with an average discount of approximately 3.24% and a median discount of approximately 14.77%. In this regard, the 5-Day (Discount) of the Connected Capitalisation Shares of approximately 13.21% is within the range, below the average and above the median of the 5-Day (Discount)/Premium of the Comparable Share Issues; and
- (iii) the 10-Day (Discount)/Premium of the Comparable Share Issues ranged from a discount of approximately 27.80% to a premium of approximately 89.75%, with an average discount of approximately 1.88% and a median discount of approximately 8.76%. In this regard, the 10-Day (Discount) of the Connected Capitalisation Shares of approximately 18.87% is within the range, below the average and median of the 10-Day (Discount)/Premium of the Comparable Share Issues.

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Notwithstanding that the LTD (Discount), the 5-Day (Discount) and the 10-day (Discount) of the Connected Capitalisation Shares are below the respective average discount of the Comparable Share Issues, we further note that:

- (a) nine out of the 14 Comparable Share Issues involved a LTD (Discount), and the Loan Capitalisation Price represents a smaller LTD (Discount) than six out of such nine Comparable Share Issues involving a LTD (Discount);
- (b) nine out of the 14 Comparable Share Issues involved a 5-day (Discount), and the Loan Capitalisation Price represents a smaller 5-day (Discount) than seven out of such nine Comparable Share Issues involving a 5-day (Discount); and
- (c) eight out of the 14 Comparable Share Issues involved a 10-day (Discount), and the Loan Capitalisation Price represents a smaller 10-day (Discount) than six out of such eight Comparable Share Issues involving a 10-day (Discount);
- (d) 12 out of the 13 issuers involved in Comparable Share Issues had their auditors expressed unqualified opinion for their latest audited consolidated financial statements prior to the relevant announcements of the Comparable Share Issues; and
- (e) 11 out of the 13 issuers involved Comparable Share Issues recorded net asset position in their latest published consolidated financial statements prior to the relevant announcements of the Comparable Share Issues.

We have considered the latest audit opinion of each issuer involved in the Comparable Share Issues prior to publication of the relevant announcements in the comparable analysis as we consider that audit opinion provides an objective indication of an issuer's financial condition and financing risk which could be perceived by the market. In particular, a disclaimer of opinion arising from going concern uncertainties generally reflects heightened uncertainty over an issuer's ability to continue as a going concern and may adversely affect its ability to obtain financing on commercially acceptable terms. Consequently, subscribers/creditors of such issuers would generally possess stronger negotiating leverage and may require more favourable commercial terms, including a greater discount to the prevailing share price, before agreeing to capitalise outstanding indebtedness into equity securities. Accordingly, we consider the audit opinion to be relevant contextual information when assessing the commercial circumstances surrounding the Comparable Share Issues.

Based on the above observations, we note that whilst the LTD (Discount), 5-Day (Discount) and 10-Day (Discount) represented by the Loan Capitalisation Price were below the respective average discount of the Comparable Share Issues, the Loan Capitalisation Price represents a smaller discount than those observed in a majority of the Comparable Share Issues involving discounts. We further note that the Company was in comparatively weaker financial conditions than most of the issuers involved in the Comparable Share Issues, as evidenced by its deficit attributable to the Shareholders and the disclaimer of opinion issued by its auditor, whereas the majority of the Comparable Share Issues involved issuers with net asset positions and unqualified audit opinions. We

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acknowledge that there are Comparable Share Issues involving financially distressed issuers, including Gome Retail Holdings Limited (“**Gome**”, which recorded net liabilities and received a disclaimer of opinion) and BGMC International Limited (“**BGMC**”, which recorded net liabilities), which were conducted at smaller discounts, or premiums, to the prevailing share prices than those represented by the Loan Capitalisation Price. Nevertheless, in our view, the fairness and reasonableness of the Loan Capitalisation Price should not be assessed in isolation with reference to any single comparable transaction, or a limited subset of comparable transactions. Rather, we consider it more appropriate to assess the overall comparable market practice together with relevant transaction/company-specific facts and circumstances. In this regard, we note that:

- (i) based on Gome’s circular dated 27 February 2026, the relevant share subscription conducted by Gome formed part of a comprehensive restructuring involving suppliers, service providers, financial institutions and other creditors with ongoing commercial relationships with Gome. In particular, the relevant subscribers of Gome’s share subscription were existing agents of financial or technical service providers of Gome that would continue to provide services to Gome following completion of the subscription and therefore possessed commercial incentives extending beyond the immediate recovery of their indebtedness. By contrast, the Connected Subscribers under the Connected Loan Capitalisation Agreements are creditors agreeing to compromise their contractual rights to repayment of interest-bearing borrowings in exchange for the Connected Capitalisation Shares and the zero-coupon Connected Bonds. In our view, the differences in restructuring circumstances and creditor profiles could reasonably influence the commercial considerations and negotiations between the issuers and its creditors, and should be considered together with financial positions. Further, although Gome recorded net liability position and received a disclaimer of opinion, we note that its balance sheet remained supported by substantial operating and investment assets, including property, plant equipment, investment properties and financial assets amounting to over RMB8.0 billion in aggregate as at 31 December 2025 as compared to the Group’s total assets of only approximately RMB213.6 million. The substantially larger asset base of Gome suggests that it retained a significantly greater operating scale and restructuring platform notwithstanding its net liability position. Accordingly, we do not consider Gome’s subscription price discount/premium to be directly comparable with that of the Loan Capitalisation Price on a standalone basis in view of the differences in restructuring circumstances, creditor profile and financial positions;
- (ii) for BGMC’s share issues, although BGMC also recorded net liabilities, we note that its latest audited financial statements were accompanied by an unqualified audit opinion. As explained above, we consider the audit opinion to be a relevant indicator of an issuer’s financing risk and ability to obtain financing. Accordingly, BGMC’s overall financial and financing circumstances were considered not directly comparable to those of the Company; and

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- (iii) while there were two issuers with net liability positions (Gome and BGMC) conducted the relevant Comparable Share Issues at smaller discounts or premiums as discussed above, there were 11 other issuers with net asset positions and unqualified audit opinions conducted the relevant Comparable Share Issues, which also represent equally representative samples of the overall comparable market practice in assessing the fairness and reasonableness of the Loan Capitalisation Price.

Given the foregoing, the discounts represented by the Loan Capitalisation Price are considered justifiable and not excessive as compared to those observed in the Comparable Share Issues after taking into consideration the respective financial conditions, financing abilities and going concern certainties/uncertainties of the relevant issuers and the relevant transaction-specific facts and circumstances. In addition, we are of the view that the relevant metrics of the comparable analysis, including the range, average and median of the discounts/premiums of Comparable Share Issues should be considered as a whole together with the specific facts and circumstances of the issuers and the transactions concerned. In this regard, notwithstanding that the LTD (Discount), 5-Day (Discount) and 10-Day (Discount) represented by the Loan Capitalisation Price were below the respective average discount of the Comparable Share Issues, we have also taken into consideration the facts that (i) the 5-Day (Discount) represented by the Loan Capitalisation Price is above the corresponding median discount of the Comparable Share Issues; and (ii) the LTD (Discount), 5-Day (Discount) and 10-Day (Discount) represented by the Loan Capitalisation Price all fall within the corresponding ranges of the Comparable Share Issues in evaluating the fairness and reasonableness of the Loan Capitalisation Price.

We further note that the Loan Capitalisation Price of HK\$0.46 per Share under the Connected Loan Capitalisation Agreements is the same as that under the GEOS Loan Capitalisation Agreement and the Haihua Loan Capitalisation Agreement entered into between the Company and Independent Third Parties, and the Placing Price, which indicates that the Loan Capitalisation Price was determined on a consistent basis across the broader debt restructuring plan of the Company and that the Connected Subscribers are not receiving more favourable pricing terms than those offered to Independent Third Parties.

Taking into account that (i) the Loan Capitalisation Price falls within the range of the LTD (Discount)/Premium, 5-Day (Discount)/Premium and 10-Day (Discount)/Premium of the Comparable Share Issues, and is above the median of the 5-Day (Discount)/Premium of the Comparable Share Issues; (ii) notwithstanding the Company's comparatively weaker financial conditions relative to the majority of the issuers involved in the Comparable Share Issues, the discounts represented by the Loan Capitalisation Price are smaller than those observed in a majority of the Comparable Share Issues involving discounts; (iii) the Loan Capitalisation Price is consistent with the pricing basis adopted by the Company in connection with its broader debt restructuring plan; and (iv) the Group's genuine and imminent needs to settle its outstanding loans under its distressed financial conditions with limited financial resources, we consider that the discounts represented by the Loan Capitalisation Price are justifiable and that the Loan Capitalisation Price is fair and reasonable.

6. Assessment on the principal terms of the Connected Bonds

In assessing the fairness and reasonableness of the principal terms of the Connected Bonds, we have independently searched on the website of the Stock Exchange to identify transactions in respect of issue of convertible bonds/notes under specific mandate with the following criteria: (i) the issuers are listed on the Stock Exchange; (ii) the issues of convertible bonds/notes were announced during the period from 1 December 2025 to 27 May 2026 (being approximately six months prior to and including the date of the Connected Loan Capitalisation Agreements Agreement); (iii) the convertible bonds/notes were not issued in connection with incentive schemes, settlement of remuneration, acquisition transactions, corporate/debt restructuring under a scheme or takeovers of a listed company; (iv) excluding issues of convertible bonds/notes with A shares or PRC domestic shares as underlying shares, by long suspended companies and for extension of maturity; (v) excluding issues of perpetual convertible securities by financial institutions,; and (vi) shareholders' approval in respect of the issues of convertible bonds/notes had been obtained as at the Latest Practicable Date.

We have identified an exhaustive list of seven comparable transactions (the “**Comparable CB Issues**”) as set out in the table below which met the above selection criteria and consider such list to be fair and representative for the purpose of this analysis. We consider that the adoption of selection period of approximately six months is appropriate as it demonstrates the recent market trends with reasonable and representative number of recent Comparable CB Issues for the purpose of our analysis. Despite that the business and prospects of the Company are not the same as the issuers of the Comparable CB Issues, the Comparable CB Issues provide a general reference for the market practices of similar transaction during the selection period.

The following table sets forth the principal terms of the Comparable CB Issues and the Connected Bonds, including their (i) principal amount; (ii) interest rate; (iii) duration; (iv) the premium/(discount) of the conversion price over/to the closing price on/prior to the date of the relevant agreement of the Comparable CB Issues and the Connected Loan Capitalisation Agreements (“**CB LTD (Discount)/Premium**”); (v) the premium/(discount) of the conversion price over/to the average closing price for the last five consecutive trading days prior to/up to and including the date of the relevant agreement of the Comparable CB Issues and the Connected Loan Capitalisation Agreements (“**CB 5-Day (Discount)/Premium**”); and (vi) the premium/(discount) of the conversion price over/to the average closing price for the last ten

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consecutive trading days prior to/up to and including the date of the relevant agreement of the Comparable CB Issues and the Connected Loan Capitalisation Agreements (“**CB 10-Day (Discount)/Premium**”):

Date of announcement	Company name (stock code)	Involving connected transaction (Yes/No)	Principal amount	Interest rate	Duration	CB LTD (Discount)/ Premium (%)	CB 5-Day (Discount)/ Premium (%)	CB 10-Day (Discount)/ Premium (%)	Net asset/ liability position (Note 1)	Audit opinion (Note 2)
29 December 2025	China Biotech Services Holdings Limited (8037)	No	US\$35,000,000	(i) 10% per annum for the first and second years; and (ii) 12% per annum for the third and fourth years	4 years	(16.46)	(24.49)	(25.68)	Net assets	Disclaimer of opinion
29 January 2026	Zoomlion Heavy Industry Science and Technology Co., Ltd. (1157)	No	RMB6,000,000,000	0.70% per annum	5 years	18.58	20.00	19.90	Net assets	Unqualified
4 February 2026	True Partner Capital Holding Limited (8657)	Yes	US\$2,450,000	3% per annum	2 years	(77.78)	(76.47)	(75.52)	Net assets	Unqualified
16 February 2026	China Water Industry Group Limited (1129)	No	Up to HK\$278,250,000	10% per annum	2 years	(31.56)	—	(1.44)	Net assets	Unqualified
25 March 2026	Man Sang International Limited (938)	Yes	HK\$594,264,000	2% per annum	Around 2.5 years (Note 3)	14.29	(2.44)	(6.21)	Net liabilities	Unqualified
13 April 2026	Vision Values Holdings Limited (862)	Yes	HK\$200,000,000	3% per annum	3 years	13.50	22.80	16.30	Net assets	Unqualified
26 May 2026	Biosysen Limited (1355)	Yes	HK\$50,000,000	Nil	5 years	—	0.65	1.31	Net liabilities	Unqualified
					Maximum	18.58	22.80	19.90		
					Minimum	(77.78)	(76.47)	(75.52)		
					Average	(11.35)	(8.56)	(10.19)		
					Median	(0.00)	(0.00)	(1.44)		
	The Connected Bonds		HK\$121,695,200	Nil	3 years	(11.54)	(13.21)	(18.87)	Net liabilities	Disclaimer of opinion

Source: website of the Stock Exchange

Notes:

1. Latest net asset/(liability) position is based on the latest published consolidated financial statements of the Company and the respective issuers involved in the Comparable CB Issues prior to publication of the relevant announcements.
2. Latest audit opinion refers to the audit opinion expressed by auditors on the latest audited consolidated financial statements of the Company and the respective issuers involved in the Comparable CB Issues prior to publication of the relevant announcements.
3. As disclosed in the announcement and circular of Man Sang International Limited dated 25 March 2026 and 30 April 2026, respectively, the maturity date of relevant convertible bonds is 31 December 2029, representing a duration of around 2.5 year.

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We have observed from the above table that:

- (i) the CB LTD (Discount)/Premium of the Comparable CB Issues ranged from a discount of approximately 77.78% to a premium of approximately 18.58%, with an average discount of approximately 11.35% and a median of no premium/discount. In this regard, the CB LTD (Discount) of the Connected Bonds of approximately 11.54% is within the range, generally in line with the average and below the median of CB LTD (Discount)/Premium of the Comparable CB Issues;
- (ii) the CB 5-Day (Discount)/Premium of the Comparable CB Issues ranged from a discount of approximately 76.47% to a premium of approximately 22.80%, with an average discount of approximately 8.56% and a median of no premium/discount. In this regard, the CB 5-Day (Discount) of the Connected Bonds of approximately 13.21% is within the range, and below the average and median of the CB 5-Day (Discount)/Premium of the Comparable CB Issues; and
- (iii) the CB 10-Day (Discount)/Premium of the Comparable CB Issues ranged from a discount of approximately 75.52% to a premium of approximately 19.90%, with an average discount of approximately 10.19% and a median discount of approximately 1.44%. In this regard, the CB 10-Day (Discount) of the Connected Bonds of approximately 18.87% is within the range, and below the average and median of the CB 10-Day (Discount)/Premium of the Comparable CB Issues.

Notwithstanding that the CB 5-Day (Discount) and the CB 10-day (Discount) of the Connected Bonds are below the respective average discount of the Comparable CB Issues, we further note that:

- (a) three out of the seven Comparable CB Issues involved a CB 5-day (Discount), and the conversion price of the Connected Bonds represents a smaller CB 5-day (Discount) than two out of such three Comparable CB Issues involving a CB 5-day (Discount);
- (b) four out of the seven Comparable Share Issues involved a CB 10-day (Discount), and the conversion price of the Connected Bonds represents a smaller CB 10-day (Discount) than two out of such four Comparable Share Issues involving a CB 10-day (Discount);
- (c) six out of the seven issuers involved in the Comparable CB Issues had their auditors expressed unqualified opinion for their latest audited consolidated financial statements prior to the relevant announcements of the Comparable CB Issues; and
- (d) five out of the seven issuers involved in the Comparable CB Issues recorded net asset position in their latest published consolidated financial statements prior to the relevant announcements of the Comparable CB Issues.

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We have considered the latest audit opinion of each issuer involved in the Comparable CB Issues prior to publication of the relevant announcements in the comparable analysis as we consider that audit opinion provides an objective indication of an issuer's financial condition and financing risk which could be perceived by the market. In particular, a disclaimer of opinion arising from going concern uncertainties generally reflects heightened uncertainty over an issuer's ability to continue as a going concern and may adversely affect its ability to obtain financing on commercially acceptable terms. Consequently, subscribers/creditors of such issuers would generally possess stronger negotiating leverage and may require more favourable commercial terms, including a greater discount to the prevailing share price, before agreeing to capitalise outstanding indebtedness into equity securities. Accordingly, we consider the audit opinion to be relevant contextual information when assessing the commercial circumstances surrounding the Comparable CB Issues.

Based on the above observations, we note that whilst the CB 5-Day (Discount) and CB 10-Day (Discount) represented by the conversion price of the Connected Bonds were below the respective average discount of the Comparable CB Issues, the conversion price of the Connected Bonds represents a smaller discount than those observed in a half or majority of the Comparable CB Issues involving discounts. We further note that the Company was in comparatively weaker financial conditions than most of the issuers involved in the Comparable CB Issue due to a combination of deficit attributable to the Shareholders and the disclaimer of opinion issued by its auditor, whereas the majority of the Comparable CB Issues involved issuers with net asset positions and unqualified audit opinions, and none of such issuers recorded net liability position and received qualified audit opinion simultaneously. In these circumstances, the discounts represented by the conversion price of the Connected Bonds are considered justifiable and not excessive as compared to those observed in the Comparable CB Issues.

As further noted from the above table, six out the seven Comparable CB Issues are interest-bearing with interest rate ranging from 0.7% to 12.0% per annum, whereas the Connected Bonds do not carry any interest. While majority of the Comparable CB Issues would provide coupon interest to their bondholders, the absence of coupon interest under the Connected Bonds represents less favourable economic feature to holders of the Connected Bonds and partly justify discounts represented by the conversion price of the Connected Bonds against the relevant average discounts observed in the Comparable CB Issues.

We also note that the principal terms of the Connected Bonds, including the conversion price of HK\$0.46 per Share, are generally consistent with those of the GEOS Bond and the Haihua Bond to be issued by the Company to Independent Third Parties, which indicates that the Connected Subscribers are not receiving more favourable terms than those offered to Independent Third Parties.

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Taking into account that (i) the conversion price of the Connected Bonds falls within the range of the CB LTD (Discount)/Premium, CB 5-Day (Discount)/Premium and CB 10-Day (Discount)/Premium of the Comparable CB Issues, and is generally in line with the average of the CB LTD (Discount)/Premium of the Comparable CB Issues; (ii) the discounts represented by the conversion price of the Connected Bonds are considered justifiable and not excessive having regard to the Company's generally weaker financial conditions relative to the issuers involved in the Comparable CB Issues; (iii) the conversion price of the Connected Bonds is same as the Loan Capitalisation Price which is considered fair and reasonable; (iv) the Connected Bonds are zero-coupon in nature as compared to majority of the Comparable CB Issues which are interest-bearing; and (v) the principal terms of the Connected Bonds, including the conversion price, are generally consistent with those of the GEOS Bond and the Haihua Bond to be issued by the Company to Independent Third Parties, we consider the principal terms of the Connected Bonds, including the conversion price, to be fair and reasonable.

7. Financial effects of the transactions contemplated under the Connected Loan Capitalisation Agreements

Upon completion of the transactions contemplated under the Connected Loan Capitalisation Agreements, we note that (i) approximately RMB5.4 million of the GL Loan and NJ Loan, both being current borrowings; and (ii) approximately RMB21.0 million of the Linker Loan, being non-current borrowings, will be capitalised into share capital of the Company. Such indebtedness will be extinguished upon completion of the allotment and issue of the Connected Capitalisation Shares, resulting in a reduction in the Group's total liabilities and a corresponding increase in its equity base. Given that the Group recorded a total deficit attributable to the Shareholders of approximately RMB48.5 million as at 31 December 2025, the capitalisation of part of the GL Loan, NJ Loan and Linker Loan is expected to materially reduce the Group's net liabilities position and gearing level.

We further note that approximately RMB21.6 million of the GL Loan and the NJ Loan, both being short-term borrowings, will be converted into three-year zero-coupon convertible bonds (i.e. the GL Bond and the NJ Bond). While such indebtedness will not be extinguished immediately, the conversion effectively reclassifies the relevant borrowings from current liabilities to non-current liabilities. As a result, the Group's net current liabilities position is expected to improve and its near-term repayment obligations will be substantially reduced.

Together with the RMB5.4 million of the GL Loan and the NJ Loan to be capitalised, we note that approximately RMB26.9 million of current borrowings, representing approximately 69.0% of the Group's current borrowings as at 31 December 2025, will either be extinguished or converted into non-current liabilities. Accordingly, the Group's working capital position is expected to be improve and its liquidity pressure is expected to be alleviated.

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In addition, approximately RMB83.9 million of the Linker Loan, being non-current borrowings, will be converted into three-year zero-coupon convertible bonds (i.e. the Linker Bond). Although such conversion does not immediately reduce the Group's overall indebtedness, the replacement of interest-bearing borrowings with zero-coupon convertible bonds is expected to reduce future finance costs. Furthermore, the conversion rights attached to each of the Connected Bonds provide a mechanism for the potential conversion of indebtedness into equity subject to compliance with the conversion restrictions under the terms thereunder. To the extent that the conversion rights are exercised in compliance with the conversion restrictions, the Group's indebtedness and gearing level are expected to be reduced accordingly.

Overall, we consider that the transactions contemplated under the Connected Loan Capitalisation Agreements will have a positive impact on the Group's liquidity position, working capital profile, capital structure and gearing level. In particular, such transactions will substantially reduce the Group's near-term repayment pressure, preserve cash resources for operational needs and provide the Group with greater financial flexibility going forward.

Independent Shareholders should note that the above discussion has not taken into consideration the financial effects of the transactions contemplated under the GEOS Loan Capitalisation Agreement, the Haihua Loan Capitalisation Agreement and the Placing. For reference purposes, as disclosed in the Letter from the Board, based on the Group's consolidated management accounts, the Group recorded unaudited net current liabilities of approximately RMB55.7 million as at 30 June 2026. The Group's unaudited total liabilities and current liabilities as at 30 June 2026 were approximately RMB252.74 million and RMB138.28 million, respectively. The financial information of the Group as at 30 June 2026 is subject to the interim results to be announced by the Group in due course. For illustrative purpose, assuming the Loan Capitalisation and the Placing were completed, and the repayment of the FXQ Loan and the CL Loan using the net proceeds from the Placing occurred on 30 June 2026, the Group's total liabilities and current liabilities would have reduced to approximately RMB158.40 million and RMB68.93 million, respectively. The remaining liabilities mainly consist of bank borrowings in an amount of approximately RMB3.09 million and the long-term liabilities in relation to the Bonds (liability component) in an amount of approximately RMB79.38 million. Upon full conversion of the Bonds, the Group's total liabilities and current liabilities would be further decreased to approximately RMB79.02 million and RMB68.93 million, respectively. Assuming the Loan Capitalisation and the Placing are completed, and the FXQ and the CL loan have been repaid using the net proceeds from the Placing, the Group would have recorded net current assets of approximately RMB13.61 million as at 30 June 2026.

8. Dilution effect on the shareholding interests of the existing public Shareholders

As the Latest Practicable Date, the Company had 215,813,840 Shares in issue and 72,426 share options under the share option scheme of the Company adopted on 16 May 2017. The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the allotment and issue of the Connected Capitalisation Shares (without taking account the allotment and issue of other Capitalisation Shares and the Placing); and (iii) immediately upon full conversion of the Connected Bonds (without taking account any conversion of the other Bonds and the Placing). Independent Shareholders should

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note that the below shareholding structure table is for illustrative purposes only, and has not taken into consideration the dilution effects of the transactions contemplated under the GEOS Loan Capitalisation Agreement, the Haihua Loan Capitalisation Agreement and the Placing.

Shareholders	As at the Latest Practicable Date		Immediately upon the allotment and issue of the Connected Capitalisation Shares (without taking account the allotment and issue of other Capitalisation Shares and the Placing)		Immediately upon the full conversion of the Connected Bonds (without taking account any conversion of the other Bonds and the Placing)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Mr. Tsang Wah Tak Brian (Note 1)	263,000	0.12%	263,000	0.09%	263,000	0.05%
Mr. Yu Lu (Note 2)	3,450,450	1.60%	3,450,450	1.22%	3,450,450	0.63%
Ms. Ye Bailing (Note 3)	20,000,000	9.27%	20,000,000	7.09%	20,000,000	3.66%
Ms. Zhu (Note 4)	20,000,000	9.27%	20,000,000	7.09%	20,000,000	3.66%
Ms. Yang Yang (Note 5)	40,526,534	18.78%	40,526,534	14.37%	40,526,534	7.42%
XinDaXin Group Company Limited (Note 6)	22,344,000	10.35%	22,344,000	7.92%	22,344,000	4.09%
Connected Subscribers						
Linker (Notes 7, 10)	—	0.00%	52,620,000	18.66%	263,100,000	48.14% (Note 9)
Mr. Ning (Notes 7, 10)	2,556,000	1.18%	10,179,913	3.61%	40,675,565	7.44% (Note 9)
Ms. Guo (Note 8)	—	0.00%	5,894,783	2.09%	29,473,913	5.39%
Public Shareholders	<u>106,673,856</u>	<u>49.43%</u>	<u>106,673,856</u>	<u>37.83%</u>	<u>106,673,856</u>	<u>19.52%</u>
Total	<u>215,813,840</u>	<u>100.00%</u>	<u>281,952,536</u>	<u>100.00%</u>	<u>546,507,318</u>	<u>100.00%</u>

Notes:

1. Mr. Tsang Wah Tak Brian is an executive Director.
2. Mr. Yu Lu is a non-executive Director.
3. Ms. Ye Bailing is an executive Director.
4. Ms. Zhu is director of two wholly-owned subsidiaries of the Company, namely Zhongyi BVI and Zhongyi (Hong Kong) International Limited.
5. Ms. Yang Yang is currently a substantial Shareholder. She will become a public Shareholder when her shareholding is diluted under 10%.

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6. XinDaXin Group Company Limited (“**XinDaXin**”) is a company incorporated in Hong Kong with limited liability. XinDaXin is wholly owned by Silver Castle International Limited, a company incorporated in the British Virgin Islands with limited liability. Silver Castle International Limited is wholly owned by Mr. Wu Yueshi. By virtue of the SFO, Silver Castle International Limited and Mr. Wu Yueshi are deemed to be interested in the Shares in which XinDaXin is interested. XinDaXin is currently a substantial Shareholder. It will become a public Shareholder when its shareholding is diluted under 10%.
7. Mr. Ning is a director of each of Risecomm Shenzhen and Risecomm Wuxi which are indirect wholly-owned subsidiaries of the Company. Linker is wholly owned by Mr. Ning.
8. Ms. Guo is a non-executive Director.
9. The conversions of Bonds are subject to the conversion restriction, such that no conversion shall be made if it would trigger a mandatory general offer obligation under Rule 26 of the Takeovers Code, unless waived or duly complied with. Linker and Mr. Ning has individually and collectively irrevocably undertaken to the Company that neither of them will exercise right at any time during the Conversion Period under the Linker Bond or NJ Bond (as applicable) to convert any part of the outstanding principal amount of the Linker Bond or NJ Bond (as applicable) into Conversion Shares to such an extent that will result in a requirement of Linker or Mr. Ning, and/or the parties acting in concert with any of them and/or their respective associates, to make a mandatory general offer under Rule 26 of the Takeovers Code.
10. Linker and Mr. Ning (through his interest in Linker) will become the largest substantial Shareholder of the Company upon completion of the Loan Capitalisation and the Placing. Mr. Ning is not a Director and the Company does not intend to appoint Mr. Ning as a member of the Board, or make any changes to the composition of the Board or executive functions of the executive Directors as a result of the Loan Capitalisation and the Placing. Mr. Ning’s participation in the Loan Capitalisation is due to his involvement in the management of the AMR and SMIA Businesses of the Group and his support for the Group’s financial restructuring and long-term development. Neither Linker nor Mr. Ning has any right to appoint, remove or nominate Directors, exercise rights or other influence the composition of the Board. There is no Shareholders’ agreement, voting arrangement, management agreement or other governance arrangement pursuant to which Linker or Mr. Ning may exercise control over the Board or the management of the Company. Accordingly, the Board considers that Linker or Mr. Ning has no and will not have control or de facto control of the Company before or after completion of the Loan Capitalisation and the Placing. As of the Latest Practicable Date, neither Linker nor Mr. Ning intended to convert the Linker Bond or the NJ Bond (as the case may be).

As illustrated in the table above, immediately upon allotment and issue of the Connected Capitalisation Shares (without taking account the allotment and issue of other Capitalisation Shares and the Placing), the shareholding interests of other public Shareholders will be diluted by approximately 11.6 percentage points from approximately 49.43% to approximately 37.83%. Accordingly, public Shareholders will experience an immediate dilution in their shareholding interests.

For illustrative purposes only, assuming full conversion of the Connected Bonds, and on a purely theoretical basis and for illustration purposes only, the shareholding interest of public Shareholders would be further diluted to approximately 19.52%. However, we note that such full conversion scenario may not be achievable in practice due to, among other things, the conversion restrictions under the terms of the Connected Bonds and the potential implications under the Takeovers Code. Accordingly, the above scenario is presented for illustrative purpose only and may not represent the actual post-conversion shareholding structure of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

While we recognise that the transactions contemplated under the Connected Loan Capitalisation Agreements will result in dilution to the shareholding interests of the public Shareholders, having considered (i) the reasons for and benefits of entering into the Connected Loan Capitalisation Agreements which are justifiable; (ii) the terms of the Connected Loan Capitalisation Agreements being fair and reasonable; and (iii) the positive financial effects, as discussed in the above sections of this letter, we consider that the dilution effect is commercially justifiable in the circumstances.

RECOMMENDATIONS

Taking into consideration the above principal factors and reasons, although the transactions contemplated under the Connected Loan Capitalisation Agreements are not conducted in the ordinary and usual course of business of the Company, we are of the opinion that (i) the terms of the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM thereby approving the Connected Loan Capitalisation Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Mango Financial Limited
Andrew Lau
Managing Director

Mr. Andrew Lau is a licensed person registered with the Securities and Futures Commission and a responsible officer of Mango Financial Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 15 years of experience in the accounting and investment banking industries.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive' interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) were as follows:

Long positions in the Shares and underlying Shares

Name of Director	Nature of interests	Number of Shares	Approximate percentage of the issued share capital of the Company
Mr. Tsang Wah Tak Brian (Note 1)	Beneficial owner	263,000	0.12%
Mr. Yu Lu (Note 2)	Beneficial owner	3,450,450	1.60%
Ms. Ye Bailing (Note 3)	Beneficial owner	20,000,000	9.27%

Notes:

1. Mr. Tsang Wah Tak Brian is an executive Director.
2. Mr. Yu Lu is a non-executive Director.
3. Ms. Ye Bailing is an executive Director.
4. The total issued Shares was 215,813,840 Shares as at the Latest Practicable Date.

Save as disclosed above, 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 would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of the substantial Shareholders

As at the Latest Practicable Date, to the best of the Directors' knowledge, other than the Director or chief executive of the Company, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Name of Director	Nature of interests	Number of Shares	Approximate percentage of the issued share capital of the Company
Ms. Yang Yang	Beneficial owner	40,526,534	18.78%
Mr. Wu Yueshi (<i>Note 1</i>)	Interest in a controlled corporation	22,344,000	10.35%
Silver Castle International Limited (<i>Note 1</i>)	Interest in a controlled corporation	22,344,000	10.35%
XinDaXin Group Company Limited (<i>Note</i>)	Beneficial owner	22,344,000	10.35%
Ms. Zhu De Yun	Beneficial owner	20,000,000	9.27%
Ms. Yu Feng Ting	Beneficial owner	20,000,000	9.27%

Note:

- XinDaXin is a company incorporated in Hong Kong with limited liability. XinDaXin is wholly owned by Silver Castle International Limited, a company incorporated in the British Virgin Islands with limited liability. Silver Castle International Limited is wholly owned by Mr. Wu Yueshi. By virtue of the SFO, Silver Castle International Limited and Mr. Wu Yueshi are deemed to be interested in the Shares in which XinDaXin is interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

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

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

4. DIRECTORS' SERVICE CONTRACTS

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

5. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors, controlling Shareholders or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

6. LITIGATION

So far as the Directors were aware, as at the Latest Practicable Date, no member of the Group was involved 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 against any member of the Group.

7. NO MATERIAL CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2025, the date up to which the latest published combined financial statements of the Group were made up.

8. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business of the Group) which have been entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the placing agreement dated 17 June 2025 entered into between the Company as issuer and Orient Securities Limited as placing agent;

- (ii) the Loan Capitalisation Agreements; and
- (iii) the Placing Agreement.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert or professional adviser who have given opinion or advice contained in this circular:

Mango Financial Limited	a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the Independent Financial Adviser
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As at the Latest Practicable Date, the Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding, directly or indirectly, 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, the Independent Financial Adviser had no interest, directly or indirectly, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date up to which the latest published audited accounts of the Company were made up.

10. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is at 25/F, Block A, Building 8, Shenzhen International Innovation Valley, Xili Street, Nanshan District, Shenzhen, China.
- (c) The principal place of business of the Company in Hong Kong is at Unit 3102, 31/F., AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (e) The secretary of the Company is Ms. Chau Hing Ling, who is a fellow member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Chartered Secretaries) and a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom since May 2013.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<http://www.risecomm.com.cn>) for a period of not less than 14 days from the date of this circular:

- (a) the Loan Capitalisation Agreements;
- (b) the Placing Agreement;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out in this circular;
- (e) the written consent from Mango Financial Limited referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix;
- (f) the material contracts referred to in the paragraph headed “8. Material contracts” of this appendix (other than the Loan Capitalisation Agreements and the Placing Agreement); and
- (g) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



RISECOMM

瑞斯康

RISECOMM GROUP HOLDINGS LIMITED

瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1679)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Risecomm Group Holdings Limited (the “**Company**”) will be held at Units 5906–5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 17 September 2026 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the conditional loan capitalisation agreement dated 27 May 2026 and entered into between the Company as issuer and GEOS Technology (HK) Limited (“**GEOS**”) as subscriber (the “**GEOS Loan Capitalisation Agreement**”, copy of which has been produced at the EGM and marked “A1” and signed by the chairman of the EGM for the purpose of identification) in relation to (i) the subscription of 1,874,348 new ordinary shares of the Company (the “**Share(s)**”) to be issued and allotted by the Company at subscription price of HK\$0.46 per Share to GEOS (the “**GEOS Loan Capitalisation Shares**”), and (ii) issue of zero coupon convertible bonds to GEOS in the principal amount of HK\$3,448,800 which are convertible into 7,497,391 Shares of the Company at the price of HK\$0.46 per Share (the “**GEOS Conversion Shares**”), for settlement of the loans due from the Group to GEOS (the “**GEOS Loan Capitalisation**”), and the transactions contemplated thereunder, be and are hereby ratified, confirmed and approved;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) approving the listing of, and granting permission to deal in, the GEOS Loan Capitalisation Shares and the GEOS Conversion Shares, the directors of the Company (the “**Directors**”) be and hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the GEOS Loan Capitalisation Shares and the GEOS Conversion Shares to GEOS, subject to the terms and conditions of the GEOS Loan Capitalisation Agreement (the “**GEOS Specific Mandate**”), with such GEOS Specific Mandate being in additional to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the GEOS Loan Capitalisation Agreement and the GEOS Loan Capitalisation, the allotment and issue of the GEOS Loan Capitalisation Shares and the GEOS Conversion Shares, and the transactions contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the GEOS Loan Capitalisation Agreement and are in the best interests of the Company.”

2. “THAT:

- (a) the conditional loan capitalisation agreement dated 27 May 2026 and entered into between the Company as issuer and Haihua (HK) New Energy Development Limited (“**Haihua**”) as subscriber (the “**Haihua Loan Capitalisation Agreement**”, copy of which has been produced at the EGM and marked “A2” and signed by the chairman of the EGM for the purpose of identification) in relation to (i) the subscription of 1,803,913 Shares to be issued and allotted by the Company at subscription price of HK\$0.46 per Share to Haihua (the “**Haihua Loan Capitalisation Shares**”), and (ii) issue of zero coupon convertible bonds to Haihua in the principal amount of HK\$3,319,200 which are convertible into 7,215,652 Shares at the price of HK\$0.46 per Share (the “**Haihua Conversion Shares**”), for settlement of the loans due from the Group to Haihua (the “**Haihua Loan Capitalisation**”), and the transactions contemplated thereunder, be and are hereby ratified, confirmed and approved;
- (b) conditional upon the Listing Committee of the Stock Exchange approving the listing of, and granting permission to deal in, the Haihua Loan Capitalisation Shares and the Haihua Conversion Shares, the Directors be and hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the Haihua Loan Capitalisation Shares and the Haihua Conversion Shares to Haihua, subject to the terms and conditions of the Haihua Loan Capitalisation Agreement (the “**Haihua Specific Mandate**”), with such Haihua Specific Mandate being in addition to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the Haihua Loan Capitalisation Agreement and the Haihua Loan Capitalisation, the allotment and issue of the Haihua Loan Capitalisation Shares and the Haihua Conversion Shares, and the transactions contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the Haihua Loan Capitalisation Agreement and are in the best interests of the Company.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. “THAT:

- (a) the conditional loan capitalisation agreement dated 27 May 2026 and entered into between the Company as issuer and Linker Union Limited (“**Linker**”) as subscriber (the “**Linker Loan Capitalisation Agreement**”, copy of which has been produced at the EGM and marked “A3” and signed by the chairman of the EGM for the purpose of identification) in relation to (i) the subscription of 52,620,000 Shares to be issued and allotted by the Company at subscription price of HK\$0.46 per Share to Linker (the “**Linker Loan Capitalisation Shares**”), and (ii) issue of zero coupon convertible bonds to Linker in the principal amount of HK\$96,820,800 which are convertible into 210,480,000 Shares at the price of HK\$0.46 per Share (the “**Linker Conversion Shares**”), for settlement of the loans due from the Group to Linker (the “**Linker Loan Capitalisation**”), and the transactions contemplated thereunder, be and are hereby ratified, confirmed and approved;
- (b) conditional upon the Listing Committee of the Stock Exchange approving the listing of, and granting permission to deal in, the Linker Loan Capitalisation Shares and the Linker Conversion Shares, the Directors be and hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the Linker Loan Capitalisation Shares and the Linker Conversion Shares to Linker, subject to the terms and conditions of the Linker Loan Capitalisation Agreement (the “**Linker Specific Mandate**”), with such Linker Specific Mandate being in additional to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the Linker Loan Capitalisation Agreement and the Linker Loan Capitalisation, the allotment and issue of the Linker Loan Capitalisation Shares and the Linker Conversion Shares, and the transactions contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the Linker Loan Capitalisation Agreement and are in the best interests of the Company.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. “THAT:

- (a) the conditional loan capitalisation agreement dated 27 May 2026 and entered into between the Company as issuer and Mr. Ning Jun (“NJ”) as subscriber (the “**NJ Loan Capitalisation Agreement**”, copy of which has been produced at the EGM and marked “A4” and signed by the chairman of the EGM for the purpose of identification) in relation to (i) the subscription of 7,623,913 Shares to be issued and allotted by the Company at subscription price of HK\$0.46 per Share to NJ (the “**NJ Loan Capitalisation Shares**”), and (ii) issue of zero coupon convertible bonds to NJ in the principal amount of HK\$14,028,000 which are convertible into 30,495,652 Shares at the price of HK\$0.46 per Share (the “**NJ Conversion Shares**”), for settlement of the loans due from the Group to NJ (the “**NJ Loan Capitalisation**”), and the transactions contemplated thereunder, be and are hereby ratified, confirmed and approved;
- (b) conditional upon the Listing Committee of the Stock Exchange approving the listing of, and granting permission to deal in, the NJ Loan Capitalisation Shares and the NJ Conversion Shares, the Directors be and hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the NJ Loan Capitalisation Shares and the NJ Conversion Shares to NJ, subject to the terms and conditions of the NJ Loan Capitalisation Agreement (the “**NJ Specific Mandate**”), with such NJ Specific Mandate being in additional to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the NJ Loan Capitalisation Agreement and the NJ Loan Capitalisation, the allotment and issue of the NJ Loan Capitalisation Shares and the NJ Conversion Shares, and the transactions contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the NJ Loan Capitalisation Agreement and are in the best interests of the Company.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. “THAT:

- (a) the conditional loan capitalisation agreement dated 27 May 2026 and entered into between the Company as issuer and Ms. Guo Lei (“**Guo**”) as subscriber (the “**Guo Loan Capitalisation Agreement**”, copy of which has been produced at the EGM and marked “A5” and signed by the chairman of the EGM for the purpose of identification) in relation to (i) the subscription of 5,894,783 Shares to be issued and allotted by the Company at subscription price of HK\$0.46 per Share to Guo (the “**Guo Loan Capitalisation Shares**”), and (ii) issue of zero coupon convertible bonds to Guo in the principal amount of HK\$10,846,400 which are convertible into 23,579,130 Shares at the price of HK\$0.46 per Share (the “**Guo Conversion Shares**”), for settlement of the loans due from the Group to Guo (the “**Guo Loan Capitalisation**”), and the transactions contemplated thereunder, be and are hereby ratified, confirmed and approved;
- (b) conditional upon the Listing Committee of the Stock Exchange approving the listing of, and granting permission to deal in, the Guo Loan Capitalisation Shares and the Guo Conversion Shares, the Directors be and hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the Guo Loan Capitalisation Shares and the Guo Conversion Shares to Guo, subject to the terms and conditions of the Guo Loan Capitalisation Agreement (the “**Guo Specific Mandate**”), with such Guo Specific Mandate being in additional to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the Guo Loan Capitalisation Agreement and the Guo Loan Capitalisation, the allotment and issue of the Guo Loan Capitalisation Shares and the Guo Conversion Shares, and the transactions contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the Guo Loan Capitalisation Agreement and are in the best interests of the Company.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. “**THAT:**

- (a) the conditional placing agreement dated 27 May 2026 and entered into between the Company as issuer and GEO Securities Limited as placing agent (the “**Placing Agreement**”, a copy of which has been produced at the EGM and marked “B” and signed by the chairman of the EGM for the purpose of identification) in relation to the placing of up to 85,869,565 new Shares of the Company at the placing price HK\$0.46 per Share to the placees (the “**Placing Shares**” and the “**Placees**”, respectively), for the settlement of the loans due from the Group to Ms. Fu Xiaoqin and Clear Jolly Holdings Limited (the “**Placing**”), and the transactions contemplated thereunder, be and are hereby ratified, confirmed and approved;
- (b) conditional upon the Stock Exchange approving the listing of, and granting permission to deal in the Placing Shares, the Directors be and hereby granted a specific mandate authorising the Directors to exercise all the powers of the Company to allot and issue the Placing Shares to the Placees subject to the terms and conditions of the Placing Agreement (the “**Placing Specific Mandate**”), with such Placing Specific Mandate being in addition to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and giving effect to the Placing Agreement and the Placing, the allotment and issue of the Placing Shares, and the transaction contemplated thereunder, and to agree to the variation, amendment and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the Placing Agreement and are in the best interests of the Company.”

By Order of the Board
Risecomm Group Holdings Limited
Ye Bailing
Executive Director

Hong Kong, 31 August 2026

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters, head office and principal place of business in Hong Kong:
Unit 3102, 31/F
AIA Kowloon Tower, Landmark East
100 How Ming Street, Kwun Tong
Kowloon, Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he/she/it is the holder of two or more shares of the Company, more than one proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her/it attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or person authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM or any adjournment thereof.
4. For the purpose of determining members who are qualified for attending and voting at the EGM, the register of members of the Company will be closed from Monday, 14 September 2026 to Thursday, 17 September 2026, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Registrar at the address stated in note 3 above not later than 4:30 p.m. on Friday, 11 September 2026 for registration.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the proposed resolutions set out in this notice will be taken by a poll.
7. 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 meeting, the meeting will be postponed. The Company will publish an announcement on the Company’s website at <http://www.risecomm.com.cn> and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.
8. All times and dates specified herein refer to Hong Kong local times and dates.

As at the date of this notice, the executive Directors are Mr. Tsang Wah Tak, Brian and Ms. Ye Bailing, the non-executive Directors are Ms. Guo Lei and Mr. Yu Lu, and the independent non-executive Directors are Mr. Victor Yang, Ms. Lo Wan Man and Mr. Zou Heqiang.