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If you have sold or transferred all your shares in Heng Tai Consumables Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00197)

- (1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED DISPOSAL OF A SUBSIDIARY;
(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED LEASEBACK OF PROPERTY; AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



Capital 9 Limited

A letter from the Board is set out on pages 5 to 24 of this circular.

A letter of recommendation from the Independent Board Committee is set out on pages 25 to 26 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the entering into of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder is set out on pages 27 to 46 of this circular.

A notice convening the EGM to be held at Room 1502, 15/F., Olympia Plaza, 255 King's Road, North Point, Hong Kong on Friday, 18 September 2026 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the EGM if they so wish.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 30 June 2026 in relation to the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Commencement Date”	the Completion Date after fulfilment of all conditions precedent for the Disposal and the Leaseback Arrangement
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of Completion in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	a sum of HK\$54,000,000, being the consideration for the Sale Shares
“Controlling Shareholder”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Disposal”	the proposed disposal of the Sale Shares, representing the total issued share capital in the Target Company, by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held on Friday, 18 September 2026 for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement, the Leaseback Agreement, and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board comprising all independent non-executive Directors established for the purpose of giving recommendations to the Independent Shareholders in respect of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Capital 9 Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity 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 Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder
“Independent Shareholders”	any Shareholder(s) other than those who are required under the Listing Rules to abstain from voting at the EGM to approve the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder
“Leaseback Agreement”	the conditional lease dated 30 June 2026 and entered into between Shanghai Rusine and Shanghai Sypher in respect of the Leaseback Arrangement
“Leaseback Arrangement”	the proposed lease of the Property by Shanghai Rusine from Shanghai Sypher for a term of three (3) years commencing from the Commencement Date pursuant to the terms and conditions of the Leaseback Agreement
“Latest Practicable Date”	28 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange

DEFINITIONS

“Mr. Lam” or “Purchaser”	Mr. Lam Kwok Hing, the chairman of the Board, an executive Director, the chief executive officer of the Company
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	the property situated at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC (中國上海市閔行區紀翟路1199弄1–5號) with a gross floor area of approximately 21,820.58 square metres
“Remaining Group”	the Group (excluding the Target Group) on the assumption that completion of the Disposal had taken place
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 30 June 2026 and entered into between the Vendor and the Purchaser in respect of the Disposal
“Sale Shares”	the total issued share capital of the Target Company, which is beneficially owned by the Vendor
“Shanghai Rusine”	Shanghai Rusine International Ltd. (上海潤歆貿易有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Shanghai Sypher”	Shanghai Sypher Ltd. (上海士豐實業有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
“Share(s)”	ordinary shares in the Company of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Si Wan Limited (士宏有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Vendor
“Target Group”	collectively, the Target Company and Shanghai Sypher

DEFINITIONS

“Vendor” Fiofie Trading Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

* *the conversion of HK\$ and RMB in this circular was based on an exchange rate of RMB1 = HK\$1.15*

LETTER FROM THE BOARD



HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00197)

Executive Directors:

Mr. Lam Kwok Hing (*Chairman and
Chief Executive Officer*)
Ms. Lee Choi Lin Joecy
Mr. Chan Cheuk Yu Stephen
Mr. Sun Banggui

Registered office:

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

Independent non-executive Directors:

Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Ms. Chan Wai Ying

*Principal Place of Business and
Headquarters in Hong Kong:*

13th Floor,
Guangdong Finance Building,
88 Connaught Road West,
Sheung Wan,
Hong Kong

31 August 2026

To the Shareholders,

- (1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED DISPOSAL OF A SUBSIDIARY;
(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED LEASEBACK OF PROPERTY; AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the financial information of the Target Group; (v) the unaudited

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pro forma financial information of the Remaining Group; (vi) management discussion and analysis of the Remaining Group; (vii) valuation report on the valuation of the Property; (viii) valuation report on the market rent of the Property; (ix) a notice convening the EGM; and (x) other information required under the Listing Rules.

2. THE DISPOSAL

On 30 June 2026 (after trading hours of the Stock Exchange), the Vendor, being a wholly-owned subsidiary of the Company (as vendor) entered into the Sale and Purchase Agreement with the Purchaser (as purchaser). Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the total issued share capital of the Target Company, for a consideration of HK\$54,000,000.

Upon Completion, the Company will cease to have any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

3. THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date: 30 June 2026

Parties: (1) The Vendor; and
(2) The Purchaser.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the total issued share capital of the Target Company.

As at the Latest Practicable Date, the Target Company is a wholly-owned subsidiary of the Company. Upon Completion, the Company will cease to have any equity interest in the Target Company.

Payment terms

The Consideration is HK\$54,000,000, which shall be payable by the Purchaser to the Vendor in the following manner:

- (i) a sum of HK\$5,000,000 has been paid to the bank account designated by the Vendor as the first deposit on 30 June 2026 (the “**First Deposit**”);
- (ii) within thirty Business Days after the date of the Sale and Purchase Agreement, a sum of HK\$5,000,000 shall be paid to the bank account designated by the Vendor as the second deposit (the “**Second Deposit**“, together with the First Deposit, the “**Deposits**”);

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- (iii) Shanghai Rusine, being a wholly-owned subsidiary of the Company, as the lessee, has entered into the Leaseback Agreement with Shanghai Sypher as the lessor, pursuant to which Shanghai Rusine shall lease the Property for industrial use for a term of 3 years. Pursuant to the terms of the Leaseback Agreement, Shanghai Rusine shall pay a total of RMB2,880,000 (equivalent to HK\$3,312,000) (the “**Initial Rent Payment**”), representing the rental deposit and the three months rent, in one lump sum to Shanghai Sypher on the Commencement Date. The Vendor, the Purchaser, Shanghai Rusine and Shanghai Sypher agree to execute a deed of set-off (the “**Deed**”) on the Completion Date to offset part of the Consideration in the amount of HK\$3,312,000 (equivalent to RMB2,880,000) against the Initial Rent Payment;
- (iv) upon Completion, a sum of HK\$30,688,000 shall be paid to the bank account designated by the Vendor; and
- (v) within 45 Business Days after the Completion, the remaining balance of the Consideration, being HK\$10,000,000, shall be paid to the bank account designated by the Vendor.

The Purchaser represents and warrants to the Vendor that, after Completion, if the Purchaser fails to settle all the outstanding Consideration in accordance with the payment term set out in the Sale and Purchase Agreement, the Purchaser will transfer the Sale Shares back to the Vendor at a nominal consideration of HK\$1.00 and all the Consideration received by the Vendor will not be refunded to the Purchaser. Based on the above, the Directors consider that the payment terms under the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Given the Disposal is not simply the disposal of the Property but the disposal of the Target Group, the Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the unaudited net asset value of the Target Group in the amount of approximately HK\$53,758,000 (with total liabilities of approximately HK\$6 million) as at 31 May 2026, taking into account the preliminary valuation of the Property (assuming without title defects and transfer restrictions) in the amount of approximately RMB51,969,000 (equivalent to approximately HK\$59,393,000) as at 31 May 2026. Based on the above, the Directors consider that the terms of the Disposal (including the Consideration) are on normal commercial terms and fair and reasonable.

Further details of the valuation of the Property are set out in Appendix V to this circular. The valuation of the Property was prepared by Valplus Consulting Limited (the “**Valuer**”), a professional valuer independent to the Company and its connected persons. Mr. Damon Wan, being the founding partner of Valplus Consulting Limited, is a chartered financial analyst charterholder, a certified financial risk manager and a member of Royal Institution of Chartered Surveyors. He has been working in the professional valuation

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field since 2008 and he is experienced and specialised in performing properties, financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger and acquisition and public listing.

The valuation of the Property represents the market value of the Property by using cost approach (i.e. the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. Actual costs incurred for upgrading of the assets to be appraised will also be considered in this approach).

Having reviewed the valuation report on the valuation of the Property as set out in Appendix V to this circular and discussed with the Valuer regarding the valuation bases, valuation methods and valuation assumptions adopted by it, the Board noted that they are commonly acceptable and in line with market practice for conducting valuation of properties of the same nature. Pursuant to the valuation report, the Valuer adopted the cost approach. The market approach was not adopted because the buildings are not standardised strata-titled industrial units commonly transacted independently in the open market. They vary in scale, configuration and number of storeys and collectively provide the operational utility of an integrated logistics centre.

Available industrial property transactions generally reflect the combined value of the land-use rights and buildings and are affected by factors including location, title, site area, development intensity, building configuration, condition, occupancy and transferability. In addition, the Property form part of a shared industrial land parcel subject to a co-certificated and undivided registration arrangement, and the land-use area attributable to the Property has not been separately delineated and officially registered. The Valuer did not identify any recent open-market transactions involving properties sufficiently comparable to the Property in terms of similar nature, scale, age, configuration and title status from which reliable comparison adjustments could be derived.

Accordingly, the cost approach was considered more appropriate. The cost approach considers the cost to reproduce or replace the buildings and structures in new condition based on prevailing construction costs for similar assets, with adjustments made for physical deterioration and any functional or economic obsolescence. The cost approach generally furnishes the most reliable indication of value for assets without a known market of comparable sales.

Furthermore, the Board has also considered the valuation assumptions adopted by the Valuer, including the reproduction unit cost and depreciation and obsolescence rate, and the methodology behind their derivation.

Upon reviewing the valuation report on the market rent of the Property as set out in Appendix VI to this circular and discussed with the Valuer regarding the valuation bases, valuation methods and valuation assumptions adopted by it, the Board noted that the Valuer adopted the market approach by making reference to comparable rental evidence or asking rents of similar industrial properties as available in the relevant market. The Board has also considered the valuation assumptions adopted by the Valuer, and that in

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preparing the report, the Valuer was provided with copies of certain extracts on title documents, leaseback agreements and other relevant documents in relation to the subject property interests. Considering the above, the Board has agreed with the Valuer on the report and confirmed the factual content of it.

Having considered the qualifications and experience of the valuer, the valuation bases, valuation methods and valuation assumptions adopted in the valuation reports, as well as the valuation of the Property, the Board considers that the valuation set out in the valuation reports are fair and reasonable and can serve as appropriate reference basis for determining the consideration, and that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The obligations of the Purchaser to purchase the Sale Shares are conditional upon and subject to the fulfillment (or waiver, as the case may be) of the following conditions precedent:

- (a) each of the Vendor and the Target Company having obtained all necessary consents and approvals required for the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (b) the Purchaser having obtained all necessary consents and approvals required for the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (c) the Company having obtained approval from the Independent Shareholders at the EGM for the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (d) Shanghai Rusine and Shanghai Sypher having entered into the Leaseback Agreement, pursuant to which Shanghai Sypher conditionally agrees to lease the Property to Shanghai Rusine after Completion and the commencement of the Leaseback Arrangement;
- (e) the receipt of a valuation report from an independent professional valuer, stating that the valuation of the Property is not less than RMB51,969,000 (equivalent to approximately HK\$59,764,000); and
- (f) all warranties set out in the Sale and Purchase Agreement being true and correct in all material respects.

The Purchaser may waive the condition precedent (f) in writing. Neither the Purchaser nor the Vendor may waive any other conditions precedent set out above. If any of the above conditions precedent cannot be fully fulfilled (or waived by the Purchaser, as the case may be) on or before 30 September 2026 (or such later date as may be agreed by the parties in writing), the Sale and Purchase Agreement, as well as the rights and obligations of the parties, shall immediately cease to have effect and be terminated, without prejudice to the liability of any party for any prior breach of the terms of the Sale

LETTER FROM THE BOARD

and Purchase Agreement and the Vendor shall return the Deposits (without interest) to the Purchaser within five business days following the termination of the Sale and Purchase Agreement. As at the Latest Practicable Date, (i) the board of directors of each of the Vendor and the Target Company has approved the Sale and Purchase Agreement and the transactions contemplated thereunder and no other third party consents and approvals will be required and therefore condition precedent (a) has been fulfilled; (ii) conditions precedent (b) and (c) have been fulfilled; and (iii) all other conditions precedent are yet to be fulfilled.

Completion

Completion shall take place within three (3) Business Days (or such other date as the parties may agree) after all conditions precedent set out in the Sale and Purchase Agreement have been fulfilled (or waived by the Purchaser, as the case may be).

Upon Completion, the Company will cease to have any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

THE LEASEBACK AGREEMENT

On 30 June 2026 (after trading hours of the Stock Exchange), Shanghai Rusine (as lessee) and Shanghai Sypher (as lessor) entered into the Leaseback Agreement. Pursuant to the Leaseback Agreement, Shanghai Sypher has conditionally agreed to lease back the Property to Shanghai Rusine for a term of three (3) years commencing from the Commencement Date for an annual rent of RMB5,760,000.

The principal terms of the Leaseback Agreement are set out below:

Date: 30 June 2026

Parties: (1) Shanghai Sypher as the lessor; and
(2) Shanghai Rusine as the lessee.

Premise: The Property situated at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC (中國上海市閔行區紀翟路1199弄1–5號) with a gross floor area of approximately 21,820.58 square metres

Term: Three (3) years commencing from the Commencement Date (being the Completion Date after fulfilment of all conditions precedent for the Disposal and the Leaseback Arrangement)

Usage: For industrial purposes

Deposit: The rental deposit equivalent to 3 months' rent, being RMB1,440,000, shall be payable by Shanghai Rusine on the Commencement Date.

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Annual rent: The monthly rent for the Property shall be RMB480,000 and the annual rent shall be RMB5,760,000. The payment terms of the rent are as follows:

- (1) on the Commencement Date, Shanghai Rusine shall pay the rental deposit and the three months rent to Shanghai Sypher in one lump sum. This consists of a rental deposit of RMB1,440,000 and three months rent of RMB1,440,000, totaling RMB2,880,000; and
- (2) Shanghai Rusine shall pay three months rent of RMB1,440,000 in one lump sum every three months in arrears and within 14 days after every three months period (the first payment shall be made within 14 days after six months from the Commencement Date and the last payment shall be offset by the rental deposit).

The rental deposit and the three months rent under the Leaseback Agreement in the total amount of RMB2,880,000 will be set-off against part of the Consideration by way of entering into the Deed and the remaining rent under the Leaseback Agreement in the amount of RMB14,400,000 is expected to be satisfied by internal resources of the Group.

Other expenses: During the lease term, all expenses incurred for the use of the Property, including water, electricity, gas, communications, cable TV, property management services and all other relevant expenses, shall be borne by Shanghai Rusine.

First right: Shanghai Rusine as the lessee will have the first right to rent the Property further upon expiry of the three-year term under the Leaseback Agreement (the term and rent of which will be subject to further negotiation at the then prevailing market condition) and Shanghai Rusine shall inform Shanghai Sypher of its intention whether to renew the Leaseback Agreement one month before the expiry of the Leaseback Agreement.

Conditions
Precedent: Commencement of the Leaseback Arrangement is subject to the following conditions having been fulfilled:

- (1) the Company having obtained approval from the Independent Shareholders at the EGM regarding the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder;
- (2) Completion having taken place in accordance with the terms of the Sale and Purchase Agreement; and

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- (3) there being no applicable laws or actions by any governmental authority that restrict, prohibit, or cancel the Leaseback Arrangement.

If all the above conditions precedent are not fulfilled by 30 September 2026 (or such later date as may be agreed by the parties in writing), the Leaseback Agreement shall terminate forthwith. As at the Latest Practicable Date, the above condition precedent (3) has been fulfilled and the other conditions precedent are yet to be fulfilled.

While the annual rent under the Leaseback Arrangement was determined with reference to a preliminary valuation report on the market rent of the Property, the payment terms of the Leaseback Arrangement, specifically the Initial Rent Payment of RMB2.88 million (comprising a rental deposit of RMB1,440,000 and the prepayment of three months rent of RMB1,440,000) were determined following arm's-length negotiations between Shanghai Rusine (as lessee) and Shanghai Sypher (as lessor).

Having taken into account that: (i) the Leaseback Arrangement ensures the seamless continuity of the Group's logistics operations at the Property immediately following Completion, thereby avoiding relocation costs, operational downtime, and potential supply-chain disruptions; (ii) the Leaseback Arrangement provides cost certainty by eliminating the risk of rental fluctuations over the three-year term and the Initial Rent Payment also served as a key bargaining lever to secure a fixed rental rate for the three-year term during the arm's length negotiation, which can effectively hedge against potential market rent increase; and (iii) the Board has reviewed and concurred with the preliminary valuation of the Property's market rent as prepared by Valplus Consulting Limited, the Directors consider that the Leaseback Arrangement, including the rental deposit and prepayment structure, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Further details of the valuation on the market rent of the Property are set out in Appendix VI to this circular. The valuation on the market rent of the Property prepared by Valplus Consulting Limited represents the market rent of the Property by using market approach and making reference to comparable rental evidence or asking rents of similar industrial properties available in the relevant market.

The Board has reviewed the valuation report on the market rent of the Property prepared by Valplus Consulting Limited (including the valuation methodology and material assumptions therein including, among others, (i) the owner has free and uninterrupted rights to use the property interests; (ii) the lessor leases the property interests on the open market in its existing state; (iii) all consents, approvals and licenses from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their market rents; and (iv) all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the report) and agreed with the report and the Board considers that the valuation of the market rent of the Property is fair and reasonable.

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The terms of the Leaseback Agreement were determined after arm's length negotiations between the relevant parties with reference to a preliminary valuation report prepared by Valplus Consulting Limited, an independent professional valuer in respect of the Property in the existing state with market rent as at 31 May 2026 of RMB480,000 per month.

Right-of-use assets

Pursuant to HKFRS 16, if the Leaseback Arrangement under the Leaseback Agreement materialises, the right-of-use assets under the Leaseback Agreement in the amount of approximately RMB16.5 million (equivalent to approximately HK\$19.0 million) will be recognised on the Group's consolidated statement of financial position. Such amount is unaudited and may be subject to adjustment.

INFORMATION ON THE TARGET COMPANY AND SHANGHAI SYPHER

The Target Company is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Target Company is a direct wholly-owned subsidiary of the Vendor, and is principally engaged in investment holding.

Shanghai Sypher is a company established in the PRC with limited liability. As at the Latest Practicable Date, Shanghai Sypher is a direct wholly-owned subsidiary of the Target Company, and is principally engaged in investment holding. The Property is directly owned by Shanghai Sypher.

The Property is situated at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC (中國上海市閔行區紀翟路1199弄1–5號) with a gross floor area of approximately 21,820.58 square metres.

The Property is mainly used as the logistics center for the Group's FMCG Trading Business and Agri-Products Business.

As at the Latest Practicable Date, the Target Group does not have material assets other than the Property.

Financial information of the Target Group

Set out below is the financial information of the Target Group for the financial years ended 30 June 2024 and 30 June 2025 and for the eleven months ended 31 May 2026:

	For the financial year ended 30 June 2024 HK\$'000 (unaudited)	For the financial year ended 30 June 2025 HK\$'000 (unaudited)	For the eleven months ended 31 May 2026 HK\$'000 (unaudited)
Revenue	—	—	—
Net loss before taxation	(6,071)	(4,611)	(4,567)
Net loss after taxation	<u>(6,291)</u>	<u>(4,854)</u>	<u>(4,716)</u>

LETTER FROM THE BOARD

The total assets, total liabilities and net assets of the Target Company as at 31 May 2026 as extracted from its latest unaudited consolidated management account were approximately HK\$59,982,000, HK\$6,224,000 and HK\$53,758,000 respectively.

INFORMATION ON THE PURCHASER AND THE VENDOR

The Purchaser, Mr. Lam, is the chairman, executive Director and chief executive officer of the Company and is therefore a connected person of the Company.

The Vendor, being a wholly-owned subsidiary of the Company, is a company established in the British Virgin Islands with limited liability. As at the Latest Practicable Date, the Vendor is an investment holding company.

FINANCIAL EFFECT OF THE DISPOSAL AND LEASEBACK ARRANGEMENT

Upon Completion, the Target Company will cease to be a subsidiary of the Company. As such, the financial information of the Target Group will cease to be consolidated into the consolidated financial statements of the Group.

The Group is expected to record a gain (before tax and expenses) of approximately HK\$93 million from the Disposal, which is estimated with reference to (i) the Consideration of HK\$54 million; plus (ii) the release of exchange reserve attributable to the Disposal of approximately HK\$93 million as at 31 May 2026; and deducted by (iii) the unaudited net assets of the Target Group of approximately HK\$54 million as at 31 May 2026.

In respect of the release of exchange reserve attributable to the Disposal, the Company would like to supplement that the functional and presentation currency in the financial statements of the Company and the Target Company is Hong Kong dollars (“**HK\$**”), while Shanghai Sypher has Renminbi (“**RMB**”) as its functional currency. The results and financial position of Shanghai Sypher were translated into HK\$ for group consolidation purpose in each financial year since it was established in 2003. Assets and liabilities were translated at the closing rate at that year end, while income and expenses are translated at average exchange rates for the year. All resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange reserve of the consolidated financial statements of the Group. Upon disposal, such exchange differences shall be reclassified to consolidated profit or loss as part of the gain or loss on disposal.

From 2003, RMB has undergone its appreciation era, starting from RMB1 worth approximately HK\$0.94 and reached its strongest peak at approximately RMB1 to HK\$1.26 in 2013. In recent years, although RMB has undergone volatility, it is still a stronger currency than HK\$. For the eleven months ended 31 May 2026, the average rate was RMB1 to HK\$1.103 and the closing rate was RMB1 to HK\$1.143. The appreciation of RMB over these twenty years arising from translation of the net assets of Shanghai Sypher accumulated in the exchange reserve amounted to approximately HK\$93 million. If the Disposal materialises, the exchange reserve of approximately HK\$93 million will be released.

LETTER FROM THE BOARD

Following the Completion, the Group expects to recognise the right-of-use assets and the lease liability (being the present value of the aggregate lease payments to be made under the Leaseback Agreement, excluding the Initial Rent Payment paid at the commencement of the Leaseback Arrangement, determined by an incremental borrowing rate of approximately 4.0%) of approximately HK\$19.0 million and HK\$15.7 million respectively under the Leaseback Agreement. The incremental borrowing rate of 4.0% is determined based on the lease discount rate calculation as at 31 May 2026 prepared by Valplus Consulting Limited.

Shareholders should note that the actual financial effect on the Group from the Disposal depends on, among others, the financial position of the Target Group at Completion and is subject to final audit.

USE OF PROCEEDS

The net proceeds from the Disposal, after deducting the expenses directly attributable thereto of approximately HK\$1.96 million, will amount to approximately HK\$52 million.

The Group intends to use the net proceeds in the following manner:

- approximately HK\$17 million will be used for development of the Company's FMCG Trading Business and Agri-Products Business including the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation. The Company intends to utilise the proceeds of HK\$17 million for the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation including (a) RMB5.1 million for building products selection data and artificial intelligent analysis capabilities to form a core competitive barrier; (b) RMB5.4 million for a matrix of top-tier, mid-tier, and international KOLs to drive brand awareness and sales conversion; and (c) RMB4.5 million for operation of e-commerce platforms and live streaming at Douyin (抖音), Xiaohongshu (小紅書) and other private domain to attract and retain traffic. The proceeds of HK\$17 million is expected to be utilised after completion of the Disposal starting from October 2026 and throughout to June 2028. The Company considers that the development of the artificial intelligence data analytics system, KOL marketing and promotion, and internet platform operations will enhance the revenue and profitability of the FMCG Trading Business and Agri-Products Business by driving sales conversion, lowering operational overheads, and expanding market reach. In particular, the data analytics system will allow the Group to analyze customer preferences and forecast market demand, thereby optimising inventory levels and improving sales conversions. At the same time, targeted KOL marketing will expand brand awareness and market reach at a more effective and lower cost than traditional advertising methods. Furthermore, the internet platform will ensure seamless user experiences and enable direct online sales to customers, allowing the Group to capture business opportunities beyond its existing geographical footprint while minimising distribution costs;
- approximately HK\$10 million will be used for development of the Company's FMCG Trading Business by obtaining the exclusive distribution rights for new products including sparkling water, red wine, white wine, tea and chocolate. The

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Board considers that securing exclusive distribution rights for the four new products (comprising Georgian sparkling water, Chilean wine, Sri Lankan tea, and Malaysian chocolate) will drive revenue growth and enhance the profitability of the FMCG Trading Business as premium products usually support price premiums and carry significantly higher gross profit margins than mass variants and each unit sold will contribute more to operating profit. It is also expected that these new premium products will justify higher prices, preserve margins against commodity inflation and stabilise profitability. The proceeds of HK\$10 million for obtaining exclusive distribution rights of new products is expected to be utilised after completion of the Disposal starting from October 2026 and throughout to February 2029;

- approximately HK\$21.7 million will be used for general working capital of the Group, of which approximately HK\$11.0 million will be used to settle selling and distribution expenses, and approximately HK\$10.7 million will be used for settlement of account payables for the Group's FMCG Trading Business and Agri-Products Business; and
- approximately HK\$3.3 million will be used for off-setting part of the Consideration against the Initial Rent Payment.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND LEASEBACK ARRANGEMENT

As disclosed in the interim report the Company for the six months ended 31 December 2025 (the “**Interim Report 2025/26**”), the Group's turnover was approximately HK\$158.3 million, representing a decrease of approximately 33.6%, compared to approximately HK\$238.3 million in the same period last year. The Group's business was adversely affected by China's weak economy in 2025, primarily due to the persistent real estate and debt crises and the resulting soft market demand. To make matters worse, domestic brands continued to compete aggressively through low pricing and extensive advertising campaigns, intensifying market competition.

As disclosed in the segment information of Interim Report 2025/26, the FMCG Trading Business generated approximately HK\$82.4 million during the six months ended 31 December 2025, representing a decrease of about 41.5% compared with the same period last year, and recorded approximately HK\$11.2 million segment loss. For the Agri-Products Business, it generated approximately HK\$75.9 million during the six months ended 31 December 2025, representing a decrease of about 20.9% compared with the same period last year, and recorded approximately HK\$21.9 million segment loss.

Over the past few years, FMCG Trading Business and Agri-Products Business continued to face a number of challenges, including coronavirus disease 2019 and US tariff policy which led to surging costs and weak Chinese consumers spending, and the fierce market competition from domestic Chinese products. Worse still, the recent US-Iran war hiked the oil price, leading to leaping costs and largely reduces the purchasing power of customers. These adverse factors added much more burden and uncertainties to the Group's Trading Business. To counteract the challenging macroenvironment, the Group has been carrying on a continuous review to improve its product mix and implement all available cost-savings measures to

LETTER FROM THE BOARD

strengthen the Group's financial resilience. During the six months ended 31 December 2025, the Group strategically trimmed down various unprofitable imported products across all three categories of the FMCG Trading Business including packaged foods, beverages, and household consumable products and reduced selling prices across various product categories to maintain competitiveness, which resulted in a decline in revenue during the six months ended 31 December 2025. Looking forward, the Group will continue to operate and develop the FMCG Trading Business, its core products categories will remain as packaged foods, beverages and household consumable products, and the Disposal together with the Leaseback Arrangement will not have any material adverse effect on the business operation of the FMCG Trading Business.

The Property was specially designed and constructed in 2005 to facilitate the distribution business of imported fast moving consumable goods such as biscuits, candies, chocolate, condiments, margarine, milk powder products, healthy food, noodles, snacks, rice, dairy products, frozen products and temperature-controlled agri-products. Its warehouse facilities are used for unpacking goods, checking, re-packaging and re-labelling upon their arrival and to be distributed in the northern region of the PRC. It is also a co-ordination centre between third-party logistics carriers and its customers to despatch goods to different locations of the PRC.

The Property has been in operation for over twenty years. In the five years leading up to 30 June 2025, the Group invested approximately RMB19 million in facilities upgrades, including exterior glass wall repairs, central air-conditioning maintenance, office renovations, and warehouse equipment replacement. Given the current conditions of the buildings and facilities, other than the routine repairs and normal wear and tear, the Board expects that the Property will require substantial replacement and upgrade and thus capital expenditure in five to eight years' time which may include replacing existing furniture and fixtures, operational equipment and machinery, reinforcement works and re-construction of certain buildings and installation of up-to-date computerized technology and automation in order to maintain its operational functions and competitiveness. The estimated costs of replacement and upgrade over the next five to eight years will amount to RMB17 million based on the latest quotation received from a third-party contractor.

If the Property remains to be owned by the Group, the Group will have to bear the above replacement and upgrade costs and will substantially increase the burden of the Group's future working capital sufficiency. If the Disposal is completed, all the above replacement and upgrade costs will be borne by Shanghai Sypher instead.

The Company considers that the Disposal provides a good opportunity for the Group to realise the value of the Property taking into account (i) the Company expects the property market in the PRC to continue to decline in 2026 and is pessimistic about the future prospect of the industrial property market in the PRC taking into account the recent US-Iran war, the ongoing US-China strategic competition and increased trade barriers which impose macroeconomic and geopolitical risks. In addition to depreciation expense of RMB2.6 million for each financial year, the Group has further recognised fair value loss of the Property in the amount of RMB3.5 million, RMB5.4 million and RMB8.3 million for the recent three consecutive financial years ended 30 June 2023, 2024 and 2025 respectively. While it is expected that the value of the Property will be further depreciated and reduced in future, the

LETTER FROM THE BOARD

Disposal gives the Group an opportunity to realise the Property at the time when it still has its market value; (ii) the Property has been in operation for over twenty years since October 2005. The physical elements of the warehouse, including the cold-chain storage facilities, loading bays, and mechanical handling equipment, have experienced normal wear and tear over the operational cycle and the remaining useful economic lives of several critical building services installations are nearing their thresholds. Therefore, the Disposal allows the Group to avoid substantial replacement and upgrading capital expenditure and ease the working capital burden of the Group in the future; (iii) the Property was self-built by the Group and commenced operation in October 2005 with a book value of HK\$118.3 million as at 30 June 2006. When the Property was first built, the Trading Business recorded revenue of HK\$1,217.0 million for the year ended 30 June 2006 and the scale of business of the Trading Business was much larger at that time as compared with the current scale of business of the Trading Business (HK\$354.2 million for the year ended 30 June 2025), and therefore the Group's construction and ownership of the Property at the material time was well justified to support such large scale of business of the Trading Business. Considering the current relatively smaller scale of business of the Trading Business, the Company considers that leasing the Property will be better off as it allows the Group to prioritise its financial stability and flexibility; and (iv) part of the proceeds from the Disposal will be applied by the Group for further development of the Group's FMCG Trading Business and Agri-Products Business with an aim to enhance its revenue stream and profitability of the business.

Based on the above, the Directors believe that the terms of the Disposal (including the Consideration) are on normal commercial terms, fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

Each of the Disposal and the Leaseback Arrangement is part and parcel of the whole transaction and is inseparable after arm's length negotiations between the parties to the Sale and Purchase Agreement. The Vendor offers the Property to the Purchaser and the Purchaser agrees to acquire the Property, in particularly under the current declining property market in PRC and uncertain market sentiment, only on the conditions that (i) the Property will be leased back to the Group for a fix term of three years so as to avoid the risk of the Property not letting out and unoccupied; and (ii) the rental deposit and prepayment structure set out in the Leaseback Agreement in order to protect the Purchaser's financial interests and ensure the commitment to lease the Property by Shanghai Rusine.

Having taken into account that: (a) the Leaseback Arrangement ensures the seamless continuity of the Group's logistics operations at the Property immediately following Completion, thereby avoiding relocation costs, operational downtime, and potential supply chain disruptions; (b) the Leaseback Arrangement provides cost certainty by eliminating the risk of rental fluctuations over the three-year term and the Initial Rent Payment also served as a key bargaining lever to secure a fixed rental rate for the three-year term during the arm's length negotiation, which can effectively hedge against potential market rent increase; and (c) the Board has reviewed and concurred with the valuation of the Property's market rent as prepared by Valplus Consulting Limited, the Directors consider that the Disposal, although not in the ordinary course of business of the Group, together with the Leaseback Arrangement, including the rental deposit and prepayment structure, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the “**FMCG Trading Business**”); and (ii) the trading of agri-products (the “**Agri-Products Trading Business**”) and the upstream farming business (the “**Upstream Farming Business**”) (collectively the “**Agri-Products Business**”).

The FMCG Trading Business generates revenue through the sale and trading of packaged foods, beverages and household consumable products in the domestic PRC market. The FMCG Trading Business sells finished consumer products and these products are largely sourced overseas through the Group’s extensive global procurement network and are imported from various regions around the world, including Europe, the Americas, Australasia, and Southeast Asia. This business unit is classified into three categories including packaged foods, beverages, and household consumable products. Packaged foods, including biscuits, candies, chocolate, condiments, margarine, milk powder products, health foods, noodles, snacks, rice, and nourishing and exclusively licensed branded products, remained the most significant category, followed by beverage products. In addition to buying and selling goods, the FMCG Trading Business is engaged in the supplier sourcing and selection, price negotiation and contract coordination, products inspection, procurement and quality assurance, inventory planning and order management, logistics arrangement, shipment consolidation and delivery coordination, customers support, after-sales follow up and customized trading solutions based on customers’ specifications and provides value-added services that improve efficiency, reliability, and customers’ satisfaction.

Looking ahead, the Group will continue to operate and develop the FMCG Trading Business and the Disposal together with the Leaseback Arrangement will not have any material adverse effect on the business operation of the FMCG Trading Business. While the business model of the FMCG Trading Business will remain unchanged after the Disposal, the proceeds from the Disposal in the amount of approximately HK\$27 million will be applied by the Group for further development of the Group’s FMCG Trading Business and Agri-Products Business with an aim to enhance its revenue stream and profitability of the business including the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation as well as the obtaining the exclusive distribution rights for new products including sparkling water, red wine, white wine, tea and chocolate.

To support the future growth and operational continuity of the FMCG Trading Business, the Group will utilise its internal resources and market expertise to sustain its operations and to drive further developments. The Group will also seek to capture new market opportunities by enhancing its business capabilities, broadening its customer base and maintaining its competitive position.

The Agri-Products Business generates revenue through the cultivation, sale and trading of fresh and processed fruits and vegetables in both Hong Kong and the domestic PRC market. The Agri-Products Business comprises the trading of fresh produce imported from countries such as Australasia and Southeast Asia, the domestic sourcing of fresh produce, and upstream cultivation operations in China. The Group has been reallocating more resources to the domestic agricultural products trading business with support from a processing center in

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Dongguan the PRC, which provides washing, sorting and grading, packing, and storage services for domestic fresh produce. The Group also continues to operate the plantations of early-crop oranges and ponkans at its farming base in Jiangxi, the PRC. The Agri-Products Business together with the FMCG Trading Business come together to form two vertically integrated supply chains allowing the Group to effectively deliver perishable and nonperishable consumer products in PRC.

The Agri-Products Business will involve processing, packaging and branding, quality assurance, storage and handling, logistics and distribution and marketing and sales support, which are all value-adding services that improve efficiency, reliability, and customers' satisfaction.

Looking forward, the Group will continue to operate and develop the Agri-Products Business alongside with the FMCG Trading Business and they will remain as the principal business of the Group and the proceeds from the Disposal in the amount of approximately HK\$17 million will be used for development of the Company's FMCG Trading Business and Agri-Products Business including the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation.

The Group has adopted a strategic business plan for its FMCG Trading Business and Agri-Products Business with an aim to reduce the net loss position and improve the profitability of the Group in the coming three years, in particular, to enhance gross profit margin, reduce overhead and working capital drag and grow higher-value channels and products. The core objective of the Group over the coming three years is to transform the business from a volume-driven, loss-making model into a disciplined, margin-led, cash generative platform. The transition should come from better product mix, in which the Group will continue to monitor the business and trim down unprofitable imported products and reduce exposure to low-margin, high-volatility products lines and focus on essential consumables with stable demand, tighter procurement, improved route-to-market, and selective expansion into higher-margin agri-products and private-label FMCG. The Disposal is a strategic move for the Group to adopt a leaner cost structure with lower fixed overhead, which will allow the Group to save all the replacement and upgrade costs of the Property over the next five to eight years in the amount of RMB17 million, and the proceeds of which will be applied to, among others, develop the business further by the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation, which will allow the Group to develop higher-value channels, as well as the obtaining the exclusive distribution rights for new products with higher margin including sparkling water, red wine, white wine, tea and chocolate. The Leaseback Arrangement will ensure the seamless continuity of the Group's logistics operations at the Property, which is one of the value-added services that improve efficiency, reliability, and customers' satisfaction immediately following Completion. In addition, Shanghai Rusine as the lessee will have the first right to rent the Property further upon expiry of the three-year term under the Leaseback Agreement (the term and rent of which will be subject to further negotiation at the then prevailing market condition) and this will ensure that the Property will continue to be used as the logistics centre of the Group in the future and the competitiveness of the Group by providing effective and efficient logistic

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coordination and arrangement will be well preserved. By adopting the above business plan, the Group will strive to improve its quality of sales, achieve revenue growth as well as enhance its gross profit margin through channels development and product mix optimisation.

As at 31 May 2026, the Company has bank and cash balances of approximately HK\$48 million, of which (i) approximately HK\$14.7 million will be applied for capital injection into a joint venture company to be formed to engage in sale of drugs, health products, cosmetics and daily merchandise business in Hong Kong; (ii) approximately HK\$0.8 million will be applied for maintenance and replacement of fixtures and logistics equipment of the Property, necessitated by ordinary wear and tear; (iii) the remaining HK\$32.5 million will be applied for working capital of the FMCG Trading Business and Agri-Products Business of the Group, in particular, as reserve to ensure operational stability and for settlement of trade payables which amounted to HK\$54.2 million as at 31 December 2025. The Company considers that it will have sufficient internal resources (including cash and by collection of the Group's account receivables) to operate the Group's FMCG Trading Business and Agri- Products Business in the future and the Company does not have any plan to conduct further fund raising exercise to raise fund for the Group's FMCG Trading Business, Agri-Products Business and travel agency business in the coming 12 months period.

The Property is mainly used as the logistics center for the Group's FMCG Trading Business and Agri-Products Business. The Property was specially designed and constructed in 2005 to facilitate the distribution business of imported fast moving consumable goods such as biscuits, candies, chocolate, condiments, margarine, milk powder products, healthy food, noodles, snacks, rice, dairy products, frozen products and temperature-controlled agriproducts. Its warehouse facilities are used for unpacking goods, checking, re-packaging and re-labelling upon their arrival and to be distributed in the northern region of the PRC. It is also a co-ordination centre between third-party logistics carriers and its customers to despatch goods to different locations of the PRC. Upon completion of the Disposal and taking into account the Leaseback Arrangement, the role of the Property will remain unchanged as the logistic centre of the Group to support the Group's FMCG Trading Business and Agri-Products Business.

LISTING RULES IMPLICATIONS

The Disposal and the Leaseback Agreement

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed(s) 75%, the entering into of the Sale and Purchase Agreement constitutes a very substantial disposal on the part of the Company under the Listing Rules, and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Leaseback Agreement as tenant will require the Group to recognise the right-of-use assets on its consolidated statement of financial position, thus the Leaseback Agreement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules.

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As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) calculated based on the value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 under the Leaseback Agreement is/are 25% or more but all of the percentage ratios are less than 100%, the entering into of the Leaseback Agreement constitutes a major transaction on the part of the Company and is therefore subject to the reporting, announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser, Mr. Lam, is the chairman, executive Director and chief executive officer of the Company and upon Completion, the Target Group will be wholly owned by the Purchaser. The Purchaser is a connected person of the Company and each of the Target Company and Shanghai Sypher will be a connected person of the Company upon Completion. Accordingly, each of the Disposal and the Leaseback Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Lee Choi Lin Joecy, an executive Director, is the spouse of Mr. Lam. Since Mr. Lam and Ms. Lee have material interest in the Disposal and the Leaseback Arrangement, they have abstained from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreement, the Leaseback Agreement and the respective transactions contemplated thereunder. Save as Mr. Lam and Ms. Lee, none of the other Directors has material interest in the Disposal and the Leaseback Arrangement and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreement, the Leaseback Agreement and the respective transactions contemplated thereunder.

EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Sale and Purchase Agreement, the Leaseback Agreement, and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Shareholders as a whole and how to vote on the EGM, taking into account the recommendations of the Independent Financial Adviser appointed by the Company.

A notice convening the EGM to be held at Room 1502, 15/F., Olympia Plaza, 255 King's Road, North Point, Hong Kong on Friday, 18 September 2026 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hengtai.com.hk>).

Whether or not Shareholders are able to attend the EGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North

LETTER FROM THE BOARD

Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 3:00 p.m. on Wednesday, 16 September 2026). To be effective, all forms of proxy must be lodged with Union Registrars Limited before the deadline. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM if you so wish.

As at the Latest Practicable Date, Mr. Lam is beneficially interested 30,606,157 Shares, representing approximately 14.63% of the issued share capital of the Company. As Mr. Lam has material interest in the Disposal and the Leaseback Arrangement, he will be required to abstain from voting in respect of the relevant resolution(s) to approve the Sale and Purchase Agreement, the Leaseback Agreement and the respective transactions contemplated thereunder at the EGM. Save for Mr. Lam, no other Shareholder is required to abstain from voting on the resolution in respect of the entering into of the Sale and Purchase Agreement, the Leaseback Agreement and the respective transactions contemplated thereunder at the EGM.

General

Capital 9 Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising all independent non-executive Directors, has been established under the Listing Rules to give recommendations to the Independent Shareholders in respect of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder.

Recommendation

On the basis of the information set out in this circular, the Directors (including members of the Independent Board Committee whose view is set out in the section “Letter from the Independent Board Committee” after having considered the advice and recommendation of Independent Financial Adviser) believe that (i) the terms of the Disposal (including the Consideration) are on normal commercial terms, fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole; and (ii) the Leaseback Arrangement, including the rental deposit and prepayment structure, is on normal commercial terms and entered into in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its Shareholders as a whole. Therefore, the Directors (including members of the Independent Board Committee whose view is set out in the section “Letter from the Independent Board Committee” after having considered the advice and recommendation of Independent Financial Adviser) recommend the Independent Shareholders to vote in favour of the resolutions as set out in the notice of EGM.

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 25 to 26 of this circular and the letter from Independent Financial Adviser as set out on pages 27 to 46 of this circular which contain their recommendations to the Independent Shareholders regarding the entering into of the Sale and Purchase Agreement, the Leaseback

LETTER FROM THE BOARD

Agreement and the transactions contemplated thereunder. The Independent Shareholders are advised to read the aforesaid letters before deciding on how to vote on the relevant resolutions to be proposed at the EGM.

Miscellaneous

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation unless otherwise stated.

For and on behalf of
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of the Independent Board Committee to the Independent Shareholders in respect of the Sale and Purchase Agreement and Leaseback Agreement and the transactions contemplated thereunder for inclusion in this circular



HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00197)

31 August 2026

To the Independent Shareholders

Dear Sir or Madam,

**(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED DISPOSAL OF A SUBSIDIARY; AND
(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED LEASEBACK OF PROPERTY**

We have been appointed to form the Independent Board Committee to consider and advise you on the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder, details of which are set out in the circular issued by the Company to the Shareholders dated 31 August 2026 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser set out on pages 5 to 24 and pages 27 to 46 of the Circular, respectively, and the additional information set out in the appendices to the Circular.

Having taken into account the terms of the Sale and Purchase Agreement and the Leaseback Agreement and the principal factors and reasons considered by the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that the terms of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and the Disposal, although not in the ordinary course of business of the Group, together with the Leaseback Arrangement, including the rental deposit and prepayment structure, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend you to vote in favour of all the resolutions to be proposed at the EGM.

Yours faithfully,
Independent Board Committee
Mr. Poon Yiu Cheung

Ms. Mak Yun Chu
Independent
non-executive Director

Newman
Independent
non-executive Director

Ms. Chan Wai Ying
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Disposal and the Leaseback Arrangement for the purpose of incorporation into this Circular.



Capital 9 Limited

31 August 2026

*To the Independent Board Committee and the Independent Shareholders of
Heng Tai Consumables Group Limited*

Dear Sir/Madam,

**(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN
RELATION TO THE PROPOSED DISPOSAL OF A SUBSIDIARY; AND
(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED LEASEBACK OF PROPERTY**

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 Disposal and the Leaseback Arrangement, particulars of which are set out in the section headed “Letter from the Board” (the “**Letter from the Board**”) contained in the circular of the Company dated 31 August 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Disposal

On 30 June 2026 (after trading hours of the Stock Exchange), the Vendor (as vendor), being a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser (as purchaser), pursuant to which the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital in the Target Company, for a consideration of HK\$54,000,000. Upon Completion, the Company will cease to have any equity interest in the Target Company.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed(s) 75%, the entering into of the Sale and Purchase Agreement constitutes a very substantial disposal on the part of the Company under the Listing Rules, and is therefore subject to reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Leaseback Arrangement

On 30 June 2026 (after trading hours of the Stock Exchange), Shanghai Rusine (as lessee) and Shanghai Sypher (as lessor) entered into the Leaseback Agreement, pursuant to which Shanghai Sypher has conditionally agreed to lease back the Property to Shanghai Rusine for a term of three (3) years commencing from the Commencement Date for an annual rent of RMB5,760,000.

Pursuant to HKFRS 16, the entering into of the Leaseback Agreement as tenant will require the Group to recognise the right-of-use assets on its consolidated statement of financial position, thus the Leaseback Agreement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) calculated based on the value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 under the Leaseback Agreement is/are 25% or more but all of the percentage ratios are less than 100%, the entering into of the Leaseback Agreement constitutes a major transaction on the part of the Company and is therefore subject to the reporting, announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser, Mr. Lam, is the chairman, executive Director and chief executive officer of the Company and upon Completion, the Target Group will be wholly owned by the Purchaser. The Purchaser is a connected person of the Company and each of the Target Company and Shanghai Sypher will be a connected person of the Company upon Completion. Accordingly, each of the Disposal and the Leaseback Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Lee Choi Lin Joecy ("**Ms. Lee**"), an executive Director, is the spouse of Mr. Lam. Since Mr. Lam and Ms. Lee have material interest in the Disposal and the Leaseback Arrangement, they have abstained from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreement, the Leaseback Agreement and the respective transactions contemplated thereunder. Save as Mr. Lam and Ms. Lee, none of the other Directors has material interest in the Disposal and the Leaseback Arrangement and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreement, the Leaseback Agreement and the respective transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Shareholders as a whole and how to vote on the EGM. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee for it to advise the Independent Shareholders in this regard.

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BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, among other things, (i) the annual and interim report of the Company for the year ended 30 June 2025 (the “**2024/25 AR**”) and the six months ended 31 December 2025 (the “**2025/26 IR**”) respectively, (ii) the Sale and Purchase Agreement, (iii) the Leaseback Agreement, (iv) the valuation reports in respect of the Property and its market rent; and (v) other information contained in the Circular.

We have also relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors and/or the management of the Group contained or referred to in the Circular, including but not limited to the Letter from the Board contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and to continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors and/or the management of the Group in the Circular, including but not limited to the Letter from the Board contained therein, were reasonably made after due and careful enquiry and the expectations and intentions of the Company, the Directors and/or the management of the Group will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to form an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors and/or the management of the Group. We have been confirmed by the Company that no material facts which would have material impact in formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Circular.

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

We have not, however, carried out any independent verification of the information provided by the Company, the Directors and/or the management of the Group, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or any of its subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company.

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As at the Latest Practicable Date, we were not aware of any relationships between us and, or any interests held by us in, the Company that could reasonably be regarded as a hindrance to our independence for the purpose of the Listing Rules to act as the Independent Financial Adviser. In the past two years preceding the Latest Practicable Date, there was no engagement between the Company and us other than this engagement and we did not have any relationship with or interest in the Company that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company. Accordingly, we are independent from the Company pursuant to Rule 13.84 of the Listing Rules and are qualified to give independent advice in relation to the Disposal and the Leaseback Arrangement.

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the Leaseback Arrangement, we have taken into consideration the following principal reasons and factors:

(1) Reasons for the Disposal and the Leaseback Arrangement

(a) Declining financial performance of the Group

The Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the “**FMCG Trading Business**”) and (ii) the trading of agri-products and the upstream farming business (collectively the “**Agri-Products Business**”). As stated in the 2024/25 AR and 2025/26 IR, these two businesses form two vertically integrated supply chains allowing the Group to effectively deliver perishable and non-perishable consumer products in China.

Loss for the year/period was recorded by the Group over the past five years and the six months ended 31 December 2025 (“**1H25/26**”). As stated in the 2024/25 AR, the Group generated total revenue of approximately HK\$428.0 million for the year ended 30 June 2025 (“**FY24/25**”), a decrease by approximately HK\$14.0 million compared to approximately HK\$442.0 million for the year ended 30 June 2024, mainly attributable to the revenue decrease from the FMCG Trading Business by approximately HK\$17.8 million which was partly offset by the revenue increase from the Agri-Products Business by approximately HK\$5.7 million. Due to weak market demand in China as a result of the real estate and debt crisis over the past few years after the outbreak of coronavirus disease 2019 and keen competition from domestic brands, the Group had to reduce selling prices of certain products, refine product mix and reducing product categories facing fierce competition in the FMCG Trading Business. Segment loss of approximately HK\$25.2 million and HK\$167.5 million was recorded by the FMCG Trading business and the Agri-Products Business respectively in FY24/25. Loss for the year attributable to owners of the Company was approximately HK\$205.1 million.

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As stated in 2025/26 IR, the Group generated total revenue of approximately HK\$158.3 million for 1H25/26, a decrease by approximately HK\$80.0 million compared to approximately HK\$238.3 million for the six months ended 31 December 2024, which was mainly attributable to revenue decrease from the FMCG Trading business by approximately HK\$58.4 million and the Agri-Products Business by approximately HK\$20.0 million, as well as the absence of income from the securities brokerage and margin financing business. As China's economy remained weak while competition with domestic brands intensified, the Group strategically scaled down its trading business for a number of unprofitable imported products and the fertilizer trading business and fully exited non-core business such as the securities brokerage and margin financing business in order to reduce operating expenses and overheads during 1H25/26. Segment loss of approximately HK\$11.2 million and HK\$21.9 million was recorded by the FMCG Trading business and the Agri-Products Business respectively. Loss for the period attributable to owners of the Company was approximately HK\$33.4 million.

(b) Business strategies of the Group

As stated in the Letter from the Board, the Group intends to continue to operate and develop the FMCG Trading Business. To counteract the challenging macroenvironment and in light of the declining financial performance as discussed above, apart from continuous review to improve product mix, the Group has to implement all available cost-saving measures to strengthen the Group's financial resilience. The Property has been and will continue to be the logistics centre for the Group's FMCG Trading Business and Agri-Products Business. However, the Company expected that substantial replacement and upgrade will be required to be carried out in the Property in the coming five to eight years to maintain its operational functions and competitiveness as discussed in the paragraph "(c) Substantial capital expenditure required by the Property" below. As advised by the Directors, the Disposal and Leaseback Arrangement which allow the Group to continue its operation in the Property without the need to bear the capital expenditure burden is in the interest of the Group.

As further stated in the Letter from the Board and advised by the Company, the Group intends to implement new marketing strategy to further develop the FMCG Trading Business and Agri-Products Business with an aim to enhance its revenue stream and profitability of the business. Hence, the Company intends to realise the value of the Property in its existing state and utilise partial proceeds to develop the FMCG Trading Business and Agri-Products Business, including approximately HK\$17 million for the development of artificial intelligent global snack data analysis system, key opinion leader marketing and promotion and internal platform operation.

The Group's bank and cash balances amounted to approximately HK\$48 million as at 31 May 2026. As stated in the Letter from the Board, such internal resources have been retained for the Group's daily operation, particularly settlement of trade payables, and other usages, and therefore cannot be utilised in implementing the strategies above.

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(c) Substantial capital expenditure required by the Property

As stated in the Letter from the Board, the Property is mainly used as the logistics centre for the Group's FMCG Trading Business and Agri-Products Business. It was specially designed and constructed in 2005 and has been used for two decades. In last five years up to June 2025, approximately RMB19 million has already been invested by the Group into it for facilities upgrades. Notwithstanding that, other than the routine repairs and normal wear and tear, the Board expects that the Property will require approximately RMB17 million for substantial replacement and upgrade in next five to eight years, which may include replacing existing furniture and fixtures, operational equipment and machinery, reinforcement works and re-construction of certain buildings and installation of up-to-date computerised technology and automation, in order to maintain its operational functions and competitiveness. We have reviewed the quotations received by the Group from a third-party contractor and noted that the fee for the aforesaid estimated replacement and upgrade is close to RMB17 million.

We have also understood from the Company that the Purchaser has undertaken to bear the aforesaid capital expenditure for the Property according to the replacement and upgrade time schedule set by the Group after completion of the Disposal and the Leaseback Arrangement becoming effective. Hence, the Disposal and the Leaseback Arrangement allow the Group to avoid such substantial capital expenditure burden, while the Group can seamlessly continue its operation in the Property with the replaced and upgraded facilities during the term of the Leaseback Agreement.

(d) Disposal and the Leaseback Arrangement is part and parcel of the whole transaction and is inseparable

As stated in the Letter from the Board, each of the Disposal and the Leaseback Arrangement is part and parcel of the whole transaction and is inseparable after arm's length negotiations between the parties to the Sale and Purchase Agreement. Under the Leaseback Arrangement, after the Disposal, the Group can continue to operate its business in the Property with the replaced and upgraded facilities as planned at a fixed rent during the lease term. In addition, the Group will have the first right to rent the Property further upon expiry of the three-year term under the Leaseback Agreement.

Taking into account the above, in particular, (i) the Group's business strategies in light of the competitive operating environment and declining financial performance of the Group; (ii) the proceeds from the Disposal can be used to finance the Group's business operation and development according to its business strategies; (iii) the Disposal allows the Group to realise value of the Property at the existing status, that is, the status after being used for around two decades and thus requires substantial replacement and upgrade in the coming years in order to maintain operational functions and competitiveness; (iv) the Leaseback Arrangement allows the Group to continue its operation in the Property after the Disposal, with the required replacement and upgrade be carried out in the coming years as planned, at a fixed rent during the term of the Leaseback Agreement; and (v) no substantial capital expenditure burden due to replacement and upgrade needs of the Property will be placed on the Group, we concur with the Directors' view that the Disposal and the Leaseback Arrangement are in the interests of the Company and its Shareholders as a whole.

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(2) Principal terms of the Sale and Purchase Agreement

On 30 June 2026 (after trading hours of the Stock Exchange), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital in the Target Company.

The Consideration is HK\$54,000,000, which shall be payable by the Purchaser to the Vendor in the following manner:

- (i) a sum of HK\$5,000,000 has been paid to the bank account designated by the Vendor as the first deposit on 30 June 2026;
- (ii) within thirty Business Days after the date of the Sale and Purchase Agreement, a sum of HK\$5,000,000 shall be paid to the bank account designated by the Vendor as the second deposit;
- (iii) Shanghai Rusine, being a wholly-owned subsidiary of the Company, as the lessee, has entered into the Leaseback Agreement with Shanghai Sypher as the lessor, pursuant to which Shanghai Rusine shall lease the Property for industrial use for a term of 3 years. Pursuant to the terms of the Leaseback Agreement, Shanghai Rusine shall pay a total of RMB2,880,000 (equivalent to HK\$3,312,000) (the “**Initial Rent Payment**”), representing the rental deposit and the three months’ rent, in one lump sum to Shanghai Sypher on the Commencement Date. The Vendor, the Purchaser, Shanghai Rusine and Shanghai Sypher agree to execute a deed of set-off (the “**Deed**”) on the Completion Date to offset part of the Consideration in the amount of HK\$3,312,000 (equivalent to RMB2,880,000) against the Initial Rent Payment;
- (iv) upon Completion, a sum of HK\$30,688,000 shall be paid to the bank account designated by the Vendor; and
- (v) within 45 Business Days after the Completion, the remaining balance of the Consideration, being HK\$10,000,000, shall be paid to the bank account designated by the Vendor.

The Purchaser represents and warrants to the Vendor that, after Completion, if the Purchaser fails to settle all the outstanding Consideration in accordance with the payment term set out in the Sale and Purchase Agreement, the Purchaser will transfer the Sale Shares back to the Vendor at a nominal consideration of HK\$1.00 and all the Consideration received by the Vendor will not be refunded to the Purchaser.

Consideration

As stated in the Letter from the Board, given the Disposal is not simply the disposal of the Property but the disposal of the Target Group, the Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the unaudited net asset value of the Target Group in the amount of approximately HK\$53,758,000 (with total liabilities of approximately

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HK\$6 million) as at 31 May 2026, taking into account the preliminary valuation of the Property (assuming without title defects and transfer restrictions) in the amount of approximately RMB51,969,000 (equivalent to approximately HK\$59,393,000) as at 31 May 2026. We have reviewed the financial information of the Target Group as at 31 May 2026 as set out in Appendix II to the Circular and noted that the Target Group did not have material assets other than the Property and its total liabilities amounted to approximately HK\$6 million.

As the Consideration was determined taking into account the valuation of the Property, we have also performed the works below on the valuer and valuation:

(a) Valuer

The valuation of the Property was prepared by Valplus Consulting Limited (the “**Valuer**”) and Mr. Damon Wan (“**Mr. Wan**”) is the signatory of valuation report. Mr. Wan, being the founding partner of Valplus Consulting Limited, is a chartered financial analyst charterholder, a certified financial risk manager and a member of Royal Institution of Chartered Surveyors (“**RICS**”). He has been working in the professional valuation field since 2008 and he is experienced and specialised in performing properties, financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger and acquisition and public listing.

We have also obtained information on the Valuer’s track records on other property valuations and noted that the Valuer is an established property valuer with a large number of completed assignments acting for listed companies with property interests in, among others, the PRC. As such, we are of the view that the Valuer and Mr. Wan are qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Property.

We have enquired with the Valuer as to its independence from the Group and the parties to the Sale and Purchase Agreement and were given to understand that the Valuer is an independent third party of the Company and its connected persons. The Valuer also confirmed to us that (i) it was not aware of any relationship or interest between itself and the Group or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company; and (ii) apart from normal professional fees payable to it in connection with their engagement for the valuation, they had no other engagement with the Company.

Furthermore, we have reviewed the terms in the engagement letter of the Valuer and noted that the scope of work was appropriate for the Valuer to form the opinion required to be given. There is no limitation on the scope of work, which might adversely impact the degree of assurance given by the Valuer in the valuation report. We have performed the work as required under note (1)(d) to Rule 13.80 of the Listing Rules in relation to the Valuer and its work as regards the valuation.

(b) Valuation report — Property

In order to evaluate the basis in determining the value of the Property, we have reviewed the valuation report of the Property set out in Appendix V to the Circular, and have discussed with the Valuer.

The report was prepared by the Valuer in accordance with the International Valuation Standards (“**International Valuation Standards**”) published by the International Valuation Standards Council and the RICS Valuation — Global Standards (the “**RICS Valuation Standards**”) published by the RICS and complied with all the requirements set out in the Chapter 5 and Practice Note 12 of the Listing Rules.

According to the report, the valuation has been made on the assumptions that, among others, the owner sells the property interests on the open market in their existing physical state, subject to the legal title, land registration and transfer restrictions as stated in the report, without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the values of the property interests.

Regarding the valuation methodologies, the Valuer states that cost approach which considers the cost to reproduce or replace the buildings and structures in new condition based on prevailing construction costs for similar assets, with adjustments made for physical deterioration and any functional or economic obsolescence has been adopted. The market approach was not adopted because the buildings are not standardised strata-titled industrial units commonly transacted independently in the open market.

In order to assess if the valuation methodology is appropriate, we noted that the adoption of cost approach can be supported by the practice guideline titled “Depreciated replacement cost (“**DRC**”) method of valuation for financial reporting” published by RICS in April 2026, according to which DRC shall be used where there is no active market for the asset being valued where there is no useful or relevant evidence of recent sales transactions due to the specialised nature of the asset, and it is impractical to produce a reliable valuation using other methods.

We understood from the Company that the buildings and structures of the Property were specifically built as a logistics centre, and further understood from the Valuer that they did not identify recent open-market transactions sufficiently comparable to the Property in terms of nature, scale, age, configuration and title status from which reliable comparison adjustments could be derived.

The buildings in the Property are not standardised strata-titled industrial units. Due to its uniqueness, it is difficult to find comparable property for disposal in the market for comparing the value. We have conducted desktop search trying to find if there is a suitable market comparable based on criteria that the property is currently on sale or recently sold and is similar with the Property in terms of key factors, including use, size, location, age and title defect. However, no suitable comparable can be identified. Hence, we concur with the Valuer’s view that market approach is not appropriate.

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We have also considered if income approach is appropriate. According to the RICS Valuation Standards, the income approach is applied to commercial and income-producing real estate and is based on capitalisation of a conventional market-based income (cash flows) to produce a single current capital value. The Property is owner-occupied for operational purposes and not subject to tenancy and therefore income approach is considered to be not applicable. We also understood from the Valuer that income approach would require additional assumptions regarding hypothetical market rent, stabilised occupancy, property outgoings and an appropriate capitalisation or discount rate, which would involve a greater degree of professional judgement.

Taking into account the above, we concur with the Valuer's view that the adoption of cost approach, which generally furnishes the most reliable indication of value for assets without a known market of comparable sales, is the most appropriate method for valuation of the Property, and the other approaches including market approach and income approach are not appropriate.

In valuating the Property, the Valuer has derived the valuation (assuming the Property can be freely transferred in the open market) based on (i) the building cost of owner-operated, low rise industrial buildings, end-user industrial buildings and logistics centres in Shanghai in 2025 of RMB5,240 per square metre, by making reference to the building cost information released by two globally established consultancy firms of design, engineering and/or construction, including Arcadis Hong Kong Limited (“**Arcadis**”) and Rider Levett Bucknall (“**RLB**”), times the aggregate gross floor area of the five buildings in the Property of 21,820.58 square metres; and (ii) adopted depreciation rate of approximately 54.5% with reference to both the elapsed proportion of the accounting and estimated remaining useful life of the Property. We have tried to identify building cost released in public by other companies for comparison. However, those figures were either released by companies of short operating history or small scale, or the source of information is even unknown, and thus those figures identified are considered unreliable for use in valuation or comparison.

For (i) the building cost per square metre, we noted that the unit production cost for Shanghai in the four quarters in 2025 as released by Arcadis and RLB ranged from approximately RMB2,900 to RMB7,800 per square metre, and a median among those figures (amounting to RMB4,000 per square metre) has been adopted by the Valuer as base construction cost. We have discussed with Valuer and agreed with the Valuer that such cost is related to owner-operated, low-rise industrial buildings in Shanghai which are the same as the type of the Property and thus is considered appropriate. Further, a conversion factor of 1.15 was adopted to derive RMB4,600 per square meter (that is, RMB4,000 per square metre times 1.15) as the figures of Arcadis and RLB are stated on a construction floor area basis, while the Property is measured on a gross floor area. We have discussed with Valuer and understood that this conversion is necessary. In addition, the Valuer took into account ancillary costs which would ordinarily be incurred in reproducing the buildings and structures but are not fully reflected in the published construction costs of Arcadis and RLB, and adopted an aggregate allowance of 14% to derive the unit construction cost of RMB5,240 per square metre. We understand from the

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Valuer that such allowance, which was made with reference to the Technical Guidelines for Comprehensive Value Assessment of Industrial Land in Shanghai (Trial), is necessary according to their expertise and experience in valuation.

For (ii) the adopted depreciation rate, we noted from the valuation report that the Valuer has applied a depreciation and obsolescence rate of approximately 54.5% to the gross reproduction cost, determined by considering both the elapsed portion of the building's accounting useful life (resulting in a depreciation indication of approximately 40.9%) and physical/economic life (resulting in a depreciation indication of approximately 68.2%).

We noted from the accounting policies of the Group stated in its latest published annual report that the Group adopted a straight-line basis on depreciation of buildings based on principal useful lives of 50 years. Further, the Group determines the estimated useful lives and related depreciation charges for the Group's fixed assets. This estimate is based on the historical experience of the actual useful lives of fixed assets of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

Taking into account (i) the Property has been used for over 20 years, (ii) in last five years up to June 2025, approximately RMB19 million has already been invested by the Group into it for facilities upgrades; and (iii) as discussed in the paragraphs headed "(1) Reasons for the Disposal and the Leaseback Arrangement — (c) Substantial capital expenditure required by the Property" above, other than the routine repairs and normal wear and tear, the Property will require substantial replacement and upgrade in next five to eight years, including but not limited to re-construction of certain buildings, in order to maintain its operational functions and competitiveness, indicating that the economic useful life of the Property is believed to be shorter than its accounting useful life and thus the depreciation and obsolescence rate of 54.5%, which has considered both accounting and physical/economic life of the Property, adopted by the Valuer is considered justifiable.

In order to assess if the building cost used in the valuation is fair and reasonable, we have searched the background of Arcadis and RLB to justify the use of building cost information released by them by the Valuer in the valuation. We noted that Arcadis is a leading global design & consultancy organisation for natural and built assets with 36,000 people and is active in more than 70 countries and RLB is a global independent construction, property and management consultancy with 120 offices and 4500 employees across 36 countries. Given the above, the use of building cost information released by them in the valuation by the Valuer is considered justifiable. In addition, we have conducted our own desktop search of the building cost information released by Arcadis and RLB and used by the Valuer in their valuation. We noted that the information used by the Valuer is consistent with that released by Arcadis and RLB.

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Also, we have reviewed the computation to derive the valuation amount of the Property as stated in the valuation report, and noted that it is consistent with the computation method as stated by the Valuer.

As stated in the valuation report, pursuant to the legal opinion provided by the Group's PRC legal adviser, the land-use area attributable to the Property has not been separately delineated and registered under an independent title, therefore there are material legal and practical uncertainties as to whether a transfer of the Property could be completed and registered (the "**Land-registration Matters**"). Having regard to the above, the Valuer has ascribed no commercial value to the Property in the valuation. For illustrative purposes, the market value of the Property as at 31 May 2026 would be approximately RMB51,969,000 on the assumption that it is legally and freely transferable in the market in their existing physical condition.

Taking into consideration (i) the qualifications, experience and independence of the Valuer and its terms of engagement; (ii) no material facts that may lead us to doubt the fairness and reasonableness of the basis and assumptions and methodology adopted in the valuation has been noted; (iii) the valuation makes reference to the current market cost to reproduce or replace a similar asset as discussed above, which is supported by the practice guideline published by RICS, according to which DRC shall be used where there is no active market for the asset being valued where there is no useful or relevant evidence of recent sales transactions due to the specialised nature of the asset, and it is impractical to produce a reliable valuation using other methods; and (iv) the Land-registration Matters, we consider that the valuation of the Property is fair and reasonable.

Payment terms

The total amount of proceeds from the Disposal, apart from the amount of the Initial Rent Payment the analysis of which as stated in the paragraphs headed "(3) Principal terms of the Leaseback Agreement — Payment terms — Rental deposit, rental payment terms, no rental increment" below, will be settled in three installments and payable in full by the Purchaser by 45 Business Days after the Completion.

Regarding the fairness and reasonableness of the terms "settlement by installment", we have reviewed the payment terms of disposal of properties of the eight Comparable Transactions (as defined below), and noted that (i) the disposal consideration of all of them were settled by installment; and (ii) five ("**Five Comparables**", including Comparable B, C, D, E, G) out of eight of them were in three installments, that is, same with that under the Disposal.

Regarding the fairness and reasonableness of the terms "the last installment of HK\$10 million will be payable in full within 45 Business Days after the Completion", we noted that such last installment represents 19% of the Consideration, which is much lower than the percentage of consideration as represented by the last installment of all the Five Comparables (that is, those with three installments) above ranging from 25% to 90%. In addition, we noted that four (including Comparable B, C, F, G) out of those eight Comparable Transactions also have deferred payment arrangement. Especially, Comparable G allows 75% of its consideration to be settled within two years after

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completion of disposal, which is much longer than “within 45 Business Days after the Completion” under the Disposal. Taking into account the above, the payment terms of the Disposal are considered fair and reasonable.

Given (i) the Consideration of HK\$54 million was determined after arm’s length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to the net asset value of the Target Group as at 31 May 2026 of approximately HK\$53.8 million; (ii) while the Target Group did not have material assets other than the Property, it had liabilities of approximately HK\$6 million as at as at 31 May 2026; (iii) the Disposal involves the disposal of the entire interest in the Target Group, rather than the Property only, thus it is considered reasonable for the Consideration to be determined principally based on the net asset value (that is, considering both assets and liabilities) of the Target Group in which the book value and valuation of the Property has already been accounted for; (iv) as stated in the valuation report set out in Appendix V to the Circular, no commercial value to the Property has been ascribed by the Valuer taking into account the uncertainties as to whether a transfer of the Property could be completed and registered. The valuation amount of the Property of approximately RMB52.0 million (approximately HK\$59.4 million) is derived by the Valuer for illustration only assuming the Property can be legally and freely transferable in the market in their existing physical condition, and thus the Consideration is higher than the actual valuation amount; (v) our works performed on the Valuer and the valuation report; and (vi) other than the Initial Rent Payment payable by the Group under the Leaseback Arrangement, the Consideration shall be payable by the Purchaser in full shortly after Completion, we are of the view that the Consideration and the payment terms are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

(3) Principal terms of the Leaseback Agreement

On 30 June 2026 (after trading hours of the Stock Exchange), Shanghai Rusine (as lessee) and Shanghai Sypher (as lessor) entered into the Leaseback Agreement, pursuant to which Shanghai Sypher has conditionally agreed to lease back the Property to Shanghai Rusine for a term of three years commencing from the Commencement Date for an annual rent of RMB5,760,000. Shanghai Rusine as the lessee will have the first right to rent the Property further upon expiry of the three-year term under the Leaseback Agreement.

Rent

As stated in the Letter from the Board, the annual rent of RMB5,760,000 and monthly rent of RMB480,000 were determined with reference to a preliminary valuation report on the market rent of the Property. To assess the fairness and reasonableness of the monthly rent for the Property, we have performed the works below on the Valuer and the valuation of the market rent of the Property:

(a) Valuer

As mentioned above, we have enquired the Valuer's qualification and independence. Also, we understood that the Valuer has performed rental valuation for other listed companies in Hong Kong. Hence, we consider that the Valuer has the required skills and experience to undertake the valuation of the market rent of the Property. We have reviewed the terms of engagement of the Valuer, in particular its scope of work. We noted that its scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuer on the valuation. We have performed the work as required under note (1)(d) to Rule 13.80 of the Listing Rules in relation to the Valuer and its work as regards the valuation.

(b) Valuation report — market rent of the Property

In order to evaluate the basis in determining the market rent of the Property, we have reviewed the valuation report on the market rent of the Property set out in Appendix VI to the Circular, and have discussed with the Valuer.

According to the report, the valuation has been made on the assumptions that, among others, (i) Shanghai Sypher, being the owner of the Property, is legally entitled to continue to occupy, use and lease the Property for the remainder of the unexpired land-use term, subject to the Land-registration Matters; and (ii) the lessor leases the property interests on the open market in their existing physical state, without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the market rent of the property interests.

The valuation is conducted based on market approach by making reference to comparable rental evidence or asking rents of similar industrial properties as available in the relevant market. Appropriate adjustments have been made to the asking unit rent of those comparables to account for differences between the comparables and the Property. The monthly market rent of the Property is derived by the average adjusted monthly unit rent among the comparables times the aggregate gross floor area of the Property. We have reviewed this computation as stated in the valuation report.

As stated in the valuation report, the valuation of the market rent is defined to mean "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". As advised by the Valuer, the market approach which is widely accepted for assessing the relevant rental of similar properties has therefore been adopted in its valuation. The valuation was prepared in accordance with the RICS Valuation Standards and the International Valuation Standards. We also noted from an article titled "APC: valuation approaches and methods" released by the RICS on 6 March 2026 that comparable method (that is, market approach) is the most widely used valuation method, typically for assessing the market rent, and it can be used

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where there is a substantial body of recent, reliable comparable rental, yield or sales evidence. Taking into account the above, we are of the view that the adoption of market approach is reasonable.

As stated in the valuation report, the monthly market rent of the Property as at 31 May 2026 was RMB480,000 and the adopted monthly unit rent was RMB22.0 per square metre. As stated in the valuation report and further advised by the Valuer, this valuation was derived by making reference to publicly available asking-rental listings of industrial properties situated in same district, which is widely accepted according to their expertise and experience. The selection criteria included (i) industrial use; (ii) location within Minhang District or its principal industrial areas; and (iii) asking-rental evidence available around the valuation date. In order to assess the fairness and reasonable of the referencing information and thus the valuation, we have (i) reviewed information of comparables identified by the Valuer as set out in the valuation report, and (ii) compared them with the source of information available in public which is found to be consistent. Based on our review, we noted that those comparables met the selection criteria of the Valuer above.

We have also conducted our own desktop search on the website of property agency, namely 58同城 • 房產, for asking rent of similar property, based on similar selection criteria, that is, industrial properties located in the same district (that is, Minhang District, Shanghai) with the Property with rental floor area between 10,000 to 30,000 square metres (given the gross floor area of around 21,000 square metres of the Property) in August 2026 (close to the valuation date). 10 rental comparables as listed in table below, which are exhaustive meeting the aforesaid criteria, have been identified among which the asking monthly unit rent ranged from RMB18 to RMB45 per square metre, and therefore the adopted monthly unit rent of RMB22.0 per square metre of the Property by the Valuer falls within the aforesaid range.

Comparable	Gross floor area (square metre)	Monthly asking rent (RMB)	Asking monthly unit rent (RMB/square metre)
1	20,000	360,000	18.0
2	15,000	360,000	24.0
3	12,800	326,400	25.5
4	19,000	570,000	30.0
5	12,000	360,000	30.0
6	12,000	432,000	36.0
7	13,000	507,000	39.0
8	20,000	780,000	39.0
9	12,000	468,000	39.0
10	15,000	675,000	45.0

Taking into account the above, the monthly unit rent and thus the monthly rent is considered fair and reasonable.

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Having considered (i) the qualifications, experience and independence of the Valuer and its terms of engagement; (ii) no material facts that may lead us to doubt the fairness and reasonableness of the basis, assumptions and methodology adopted in the valuation have been noted; and (iii) the valuation makes reference to market rent of similar properties as discussed above, we consider that the valuation of the market rent of the Property is fair and reasonable.

Payment terms — Rental deposit, rental payment terms, no rental increment

The payment terms of the rent are as follows:

- (1) on the Commencement Date, Shanghai Rusine shall pay the Initial Rent Payment of RMB2,880,000 (comprising the rental deposit of RMB1,440,000 equivalent to three months' rent, and the prepayment of three months' rent of RMB1,440,000) to Shanghai Sypher in one lump sum; and
- (2) Shanghai Rusine shall pay three months' rent of RMB1,440,000 in one lump sum every three months in arrears and within 14 days after every three months period (the first payment shall be made within 14 days after six months from the Commencement Date and the last payment shall be offset by the rental deposit).

The Initial Rent Payment will be set-off against part of the Consideration by way of entering into the Deed and the remaining rent under the Leaseback Agreement is expected to be satisfied by the internal resources of the Group. The monthly rent is fixed throughout the term of the Leaseback Agreement.

To assess the fairness and reasonableness of the aforesaid terms under the Leaseback Agreement, we have attempted to compare such terms with similar transaction disclosed on the website of the Stock Exchange. We have tried to identify comparable transactions based on lease agreements that are (i) entered into by listed issuers on the Stock Exchange; (ii) announced on the website of the Stock Exchange from June 2025 to June 2026, being around one year prior to the date of the Leaseback Agreement signed in June 2026, with an aim to identify sufficient amount of recent comparables of leaseback arrangement offered in the market for comparison; and (iii) in relation to leaseback of property being disposed of by the relevant listed issuers. Based on the aforesaid criteria, we have, to our best endeavour and knowledge, identified an exhaustive list of eight comparable transactions (the “**Comparable Transactions**”). Having considered these transactions represented all relevant transactions that we have been able to identify based on the aforesaid criteria, we considered the Comparable Transactions to be fair and representative samples for the purpose of our comparable analysis.

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The following table sets out the principal terms of the Comparable Transactions:

Date of announcement	Company	Stock Code	Use of the property leased	Tenure (approximately)	Rental payment	Rental deposit	Rent increment
2 Jun 2025	Orange Sky Golden Harvest Entertainment (Holdings) Limited (“Comparable A”)	1132	Cineplexes	18 months	Payable monthly	Three months’ rent	Variable as the rent is based on 10% of monthly gross sales derived from business operations on the property
22 Jul 2025	Sinofortune Financial Holdings Limited (“Comparable B”)	8123	Office	2 years	Payable monthly	Three months’ rent	Not stated
29 Sep 2025	Zhongzheng International Company Limited (“Comparable C”)	943	Factory for healthcare and household products business	1 year	Payable monthly	Approximately 2.7 months’ rent	Not stated
4 Nov 2025	Star Group Asia Limited (“Comparable D”)	1560	Office	2 years	Payable monthly	Two months’ rent	Not stated
9 Jan 2026	China Wantian Holdings Limited	1854	Industrial centre for food supply operations in Hong Kong	1 year	Payable monthly	Not stated	Not stated
22 Jan 2026	Star Group Asia Limited (“Comparable E”)	1560	Residential	2 years	Payable monthly in advance	Two months’ rent	Not stated
6 Feb 2026	K2 F&B Holdings Limited (“Comparable F”)	2108	Operation of a food centre	3 years (an option to renew for a further term of three (3) years)	Payable monthly in advance	Not stated	Not more than 10% rental increase for renewal

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Date of announcement	Company	Stock Code	Use of the property leased	Tenure (approximately)	Rental payment	Rental deposit	Rent increment
10 Apr 2026	Bonny International Holding Limited (“ Comparable G ”)	1906	Factory of the original design manufacture business and provision of manufacturing services	3 years	Payable yearly in advance (7% discount will be offered if all are settled in a single upfront payment)	Around 1.4 months’ rent	Not stated
30 Jun 2026	The Company	197	Logistics centre	3 years	First three-month rent will be payable in advance on the Commencement Date, the remaining rents will be payable quarterly in arrears (except the last three-month rent will be offset by the rental deposit)	Three months’ rent	N/A

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It is noted that the rental payment terms among the Comparable Transactions ranged from monthly payment in advance to yearly payment in advance, and the rental deposit required ranged from the amount equivalent to approximately 1.4 to 3 months. The rental payment (including the first 3-month rental payment in advance and the 3-month rental payment in arrears for the remaining rents, except the last 3-month rental payment which will be offset by the rental deposit) and rental deposit (equivalent to 3-months' rent) under the Leaseback Agreement therefore fall within the relevant range among the Comparable Transactions. It is further noted that the rental payment of two (including Comparable A and F) out of the eight Comparable Transactions may vary or even increase, while the Group will not have to bear any rent increment risk as the monthly rent under the Leaseback Agreement is fixed over the whole lease term. Taking into account the above, we concur with the Directors' view that the rental payment term and rental deposit under the Leaseback Agreement are considered on normal commercial terms and fair and reasonable.

Having considered (i) our due diligence work on the Valuer and valuation report of the market rent of the Property; (ii) the rental payment terms and rental deposit under the Leaseback Agreement fall within the range among the Comparable Transactions; and (iii) no rent increment risk will be imposed on the Group, we concur with the Directors' view that the terms of the Leaseback Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(4) Financial effects

As stated in the Letter from the Board, upon Completion, the Target Company will cease to be a subsidiary of the Company. As such, the financial information of the Target Group will cease to be consolidated into the consolidated financial statements of the Group.

The Group is expected to record a gain (before tax and expenses) of approximately HK\$93 million from the Disposal, which is estimated with reference to (i) the Consideration of HK\$54 million plus (ii) the release of exchange reserve attributable to the Disposal of approximately HK\$93 million as at 31 May 2026, and deducted by (iii) the unaudited net assets of the Target Group of approximately HK\$54 million as at 31 March 2026.

As stated in the unaudited pro forma financial information of the Remaining Group set out in Appendix III to the Circular, as a result of the entering into of the Leaseback Agreement, the Group is expected to recognise the right-of-use assets of approximately HK\$18.5 million and the lease liability (being the present value of total lease payments over the three-year lease term, excluding the Initial Rent Payment paid at the commencement of the Leaseback Arrangement, discounted using the applicable incremental borrowing rate) of approximately HK\$15.2 million.

As the Initial Rent Payment will be settled by partial proceeds from the Disposal, it is expected that there will be no immediate impact on the earnings and liquidity position of the Group as a result of the Leaseback Agreement.

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The actual financial effect of the Disposal and the Leaseback Arrangement on the Group depends on, among others, the financial position of the Target Group at Completion and is subject to final audit.

RECOMMENDATION

Having taken into account the principal factors and reasons discussed above, we are of the view that the Disposal, although not in the ordinary course of business of the Group, together with the Leaseback Arrangement, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders to vote in favour of the relevant resolution(s) for approving the Disposal and the Leaseback Arrangement.

Yours faithfully,
For and on behalf of
Capital 9 Limited

Chan Man Yee
Director

Chan Man Yee is a licensed person and responsible officer of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has over 15 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for the three years ended 30 June 2023, 2024 and 2025 and the six months ended 31 December 2025 were set out in the Company's annual reports for each of the years ended 30 June 2023, 2024 and 2025 and the interim report for the six months ended 31 December 2025, respectively. The said annual reports and interim report are incorporated by reference into this circular and can be accessed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.hengtai.com.hk).

The following is a quick link to the interim report of the Company published on 27 March 2026 with its unaudited condensed consolidated financial statements for the six months ended 31 December 2025 on pages 1 to 19:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0327/2026032700906.pdf>

The following is a quick link to the annual report of the Company published on 28 October 2025 with its audited consolidated financial statements for the year ended 30 June 2025 on pages 34 to 107:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1028/2025102800514.pdf>

The following is a quick link to the annual report of the Company published on 30 October 2024 with its audited consolidated financial statements for the year ended 30 June 2024 on pages 36 to 109:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1030/2024103000671.pdf>

The following is a quick link to the annual report of the Company published on 28 October 2023 with its audited consolidated financial statements for the year ended 30 June 2023 on pages 35 to 111:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000900.pdf>

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As at the Latest Practicable Date, the principal activities of the Group (i) the trading of packaged foods, beverages and household consumable products (the “**FMCG Trading Business**”); and (ii) the trading of agri-products (“**Agri-Products Trading Business**”) and the upstream farming business (“**Upstream Farming Business**”) (collectively the “**Agri-Products Business**”). The two businesses come together to form two vertically integrated supply chains allowing the Group to effectively deliver perishable and non-perishable consumer products in China.

As disclosed in the 2025/2026 interim report of the Company, during the six months ended 31 December 2025, the global economy continued its weak economic growth, major economies have been losing growth momentum, which was affected by heightened trade tensions and unpredictable trade policies like the tariff escalation by the United States. In China, the economy was persistently sluggish caused by the real estate and debt crisis over past few years. China's economy grew about 4.5% for the fourth quarter of 2025, slowing from 4.8% in the previous quarter and marking the weakest rise in three years. During the six months ended 31 December 2025, the monthly retail sales grew in the range between 0.9% and 3.7% compared to the same period in the previous year, which was way below the GDP growth during the corresponding period. China's retail sales rose 0.9% year-on-year in December 2025, which marked the slowest yearly rise since December 2022 despite ongoing consumer subsidy programs by the government, reflecting the fact that Chinese consumers were still cautious with their discretionary spending due to economic downturn and uncertainty.

The Group's trading business also encountered challenges in amidst of the weak macroenvironment, especially considering the competition from domestic products has been increasingly intense. During the six months ended 31 December 2025, the Group strategically trimmed down various unprofitable imported products and the fertilizer trading business, exited certain non-core business such as the securities and brokerage margin financing business, and reduced selling prices across various product categories to maintain competitiveness, all of which contributed to a decline in revenue during the six months ended 31 December 2025. The gross profit margin also fell from approximately 7.3% to approximately 5.3%, primarily driven by margin deterioration in the FMCG Trading Business as selling prices declined and sourcing costs continued to rise, whereas the Agri-Products Business maintained relatively stable margins due to steady performance in the trading of domestic agricultural products that offset lower margins from imported agricultural products.

The FMCG Trading Business sells finished consumer products into the domestic Chinese market. These products are largely sourced overseas through the Group's extensive global procurement network and are imported from various regions around the world, including Europe, the Americas, Australasia, and Southeast Asia. This business unit is classified into three categories including packaged foods, beverages, and household consumable products, which contributed approximately 84%, 9%, and 7% respectively. Packaged foods, including biscuits, candies, chocolate, condiments, margarine, milk powder products, health foods, noodles, snacks, rice, and nourishing and exclusively licensed branded products, remained the most significant category, followed by beverage products. The contribution percentages of each category were relatively stable compared with the corresponding period last year.

While the FMCG Trading Business remained the Group's most important business unit, contributing approximately 52% of the Group's total revenue, its relative importance declined compared with its contribution of approximately 59% in the corresponding period last year. During the six months ended 31 December 2025, the Group strategically trimmed a number of imported products across all three categories of the FMCG Trading Business to cope with weak market demand and fierce competition from domestic brands. As a result, revenue from the FMCG Trading Business fell by approximately 41% compared with the same period last year, in return for a significant reduction in associated operating expenses and overheads. Furthermore, its gross profit margin decreased by approximately 3.3%, as the Group was required to lower selling prices due to market pressure while sourcing costs continued to rise during the Period.

The Agri-Products Business comprises the trading of fresh produce imported from countries such as Australasia and Southeast Asia, the domestic sourcing of fresh produce, and upstream cultivation operations in China. This business unit generated approximately HK\$75.9 million during the six months ended 31 December 2025 under review, representing a decrease of about 21% compared with the same period last year, primarily due to lower revenue from the trading of imported agricultural products and from the Upstream Farming Business. During the six months ended 31 December 2025, the imported agricultural products trading business faced a similarly weak macroeconomic environment as the FMCG Trading Business, particularly as the quality gap between imported and domestic agricultural products has narrowed in recent years, thus intensifying competition. Accordingly, the Group significantly reduced the scale of its imported agricultural products trading business to save operating expenses and overheads, while reallocating more resources to the domestic agricultural products trading business with support from the Dongguan processing centre, which provides washing, sorting and grading, packing, and storage services for domestic fresh produce. As a result, the revenue contribution of domestic agricultural products to the Agri-Products Business increased markedly from approximately 27.5% to approximately 35.9% compared with the same period last year. The gross profit margin of the Agri-Products Business also remained relatively stable, primarily because the steady gross profit margins of domestic agricultural products offset the deterioration in margins from imported agricultural products.

The Group continued to carefully operate the plantations of early-crop oranges and ponkans at its farming base in Jiangxi. During the six months ended 31 December 2025, revenue from the Upstream Farming Business decreased by approximately 9.5%, primarily due to lower selling prices resulting from domestic surplus supply and intense competition, as well as the deferral of certain sales orders to early 2026 to meet Chinese New Year market needs. Over the past few years, the Group has continuously invested resources in research and development to enhance its agricultural capabilities, including establishing an agricultural research and testing laboratory and engaging various farming experts during the development of arable land. However, in view of the weak macroeconomic environment and heightened competition, the Group has slowed the pace of developing new arable land, constructing fruit processing facilities, and advancing its agri-tourism business in Jiangxi. Given these unfavourable conditions, the Group adopted a more conservative approach toward new development initiatives within the Upstream Farming Business.

For more details of the future plan of the Group in relation to its Agri-Products Business after the Disposal, please refer to the paragraph headed “Information on the Group” under the Letter from the Board in this circular.

During the six months ended 31 December 2025, the Group has ceased its operations in the securities and brokerage margin financing business through Sino Wealth Securities Limited and did not have any revenue from this business segment.

On 24 December 2025, the Group entered into a sale and purchase agreement (the “**Agreement**”) to acquire the entire issued share capital of V.Profit International Travel Services Limited (“**V.Profit**”), which is incorporated in Hong Kong and principally engaged in the provision of comprehensive travel arrangements for tour groups from the PRC to Hong Kong, including accommodation coordination, meal arrangements, sightseeing tours and shopping experiences, at a consideration of HK\$972,000. On 30 January 2026, the Group completed the acquisition upon the fulfillment of the conditions specified in the Agreement. The acquisition represents a strategic expansion into Hong Kong’s resurgent tourism sector, marking a robust growth following the pandemic recovery. The Board believes that the acquisition positions the Group to capitalise on this significant market and broaden the revenue stream of the Group.

Looking ahead, the overall operating environment remains fraught with uncertainties, and China’s economy continues to be affected by the prolonged real estate crisis, which is weighing on consumer sentiment. In addition, unpredictable policy developments in the United States are further dampening global economic growth and international trade. Against this backdrop, the Group will continue to implement various cost-saving initiatives across different business segments and streamline unprofitable operations. The Group will also continue to diversify its business portfolio, such as through the newly acquired V.Profit operating tourism business in Hong Kong to mitigate business risks and broaden its revenue base, thereby counteracting the negative impact arising from the contraction of its traditional trading businesses. In any event, the Group will strive to maintain a strong and healthy financial position to withstand unforeseeable headwinds.

3. STATEMENT OF INDEBTEDNESS

At the close of business on 30 June 2026, being the latest practicable date for the purpose of ascertaining certain information relating to this statement of indebtedness prior to the printing of this circular, the Group had an aggregate outstanding lease liabilities of approximately HK\$5.2 million. The Group’s lease liabilities amounting to approximately HK\$1.6 million were secured by rental deposits paid by the Group and approximately HK\$3.6 million were unsecured at 30 June 2026.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 30 June 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other

than normal trade bills)), acceptance credits, hire purchase commitments or finance lease, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

4. MATERIAL ADVERSE CHANGE

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

5. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the effects of the Disposal and the Leaseback Arrangement, the internally generated funds, available to the Group and financial resources presently available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least twelve months from the date of this circular in the absence of any unforeseeable circumstances. The Company has obtained the relevant confirmation required under Rule 14.66(12) of the Listing Rules.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the unaudited financial information of the Target Group which comprises the unaudited consolidated statements of financial position of the Target Group as of 30 June 2023, 2024 and 2025 and 31 May 2026, and the unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows for each of the years ended 30 June 2023, 2024 and 2025 and the eleven months ended 31 May 2026 (the “**Relevant Periods**”) and explanatory notes (the “**Unaudited Financial Information**”).

The Unaudited Financial Information has been presented on the basis set out in note 2 to the Unaudited Financial Information and has been prepared in accordance with paragraph 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rule**”).

The Unaudited Financial Information is prepared by the directors of Heng Tai Consumables Group Limited solely for the purpose of inclusion in the circular in connection with the disposal of the Target Group in accordance with the Listing Rule. RSM Hong Kong, Certified Public Accountants, the reporting accountant of the Company, was engaged to review the Unaudited Financial Information of the Target Group set out on pages II-2 to II-9 of this appendix in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) “Engagements to Review Historical Financial Statements” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion. The reporting accountant has issued an unmodified review report.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June			Eleven months ended	
	2023	2024	2025	31 May 2025	2026
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	—	—	—	—	—
Other income — interest income	136	67	40	35	15
Administrative expenses	(9,186)	(6,138)	(4,651)	(4,201)	(4,051)
Other operating expenses	—	—	—	—	(531)
Loss before tax	(9,050)	(6,071)	(4,611)	(4,166)	(4,567)
Income tax expense	(220)	(220)	(243)	(223)	(149)
Loss for the year/period	(9,270)	(6,291)	(4,854)	(4,389)	(4,716)
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Fair value change on revaluation of buildings	(912)	(2,973)	(6,176)	—	(14,519)
Deferred tax liability on revaluation of buildings	228	743	1,545	—	3,630
	(684)	(2,230)	(4,631)	—	(10,889)
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations	(11,725)	(926)	2,042	234	4,065
Other comprehensive income for the year, net of tax	(12,409)	(3,156)	(2,589)	234	(6,824)
Total comprehensive income for the year/period	(21,679)	(9,447)	(7,443)	(4,155)	(11,540)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June			As at
	Note	2023	2024	2025	31 May
		HK\$'000	HK\$'000	HK\$'000	2026
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
ASSETS					
Non-current assets					
Fixed assets	3	<u>109,821</u>	<u>81,283</u>	<u>74,094</u>	<u>59,393</u>
Current assets					
Prepayments		1,027	2	2	—
Bank and cash balances		<u>46,074</u>	<u>29,457</u>	<u>25,809</u>	<u>589</u>
		<u>47,101</u>	<u>29,459</u>	<u>25,811</u>	<u>589</u>
TOTAL ASSETS		<u><u>156,922</u></u>	<u><u>110,742</u></u>	<u><u>99,905</u></u>	<u><u>59,982</u></u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Target Group					
Share capital	4	—	—	—	—
Reserves		<u>(447,447)</u>	<u>(148,347)</u>	<u>(155,790)</u>	<u>53,758</u>
Total equity		<u>(447,447)</u>	<u>(148,347)</u>	<u>(155,790)</u>	<u>53,758</u>
Non-current liabilities					
Deferred tax liabilities		<u>11,080</u>	<u>10,469</u>	<u>9,393</u>	<u>6,223</u>
Current liabilities					
Accruals and other payables		98	68	69	1
Due to immediate parent	5	<u>593,191</u>	<u>248,552</u>	<u>246,233</u>	<u>—</u>
		<u>593,289</u>	<u>248,620</u>	<u>246,302</u>	<u>1</u>
Total liabilities		<u>604,369</u>	<u>259,089</u>	<u>255,695</u>	<u>6,224</u>
TOTAL EQUITY AND LIABILITIES		<u><u>156,922</u></u>	<u><u>110,742</u></u>	<u><u>99,905</u></u>	<u><u>59,982</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i> <i>(unaudited)</i>	Property revaluation reserve <i>HK\$'000</i> <i>(unaudited)</i>	Foreign currency translation reserve <i>HK\$'000</i> <i>(unaudited)</i>	Accumulated losses <i>HK\$'000</i> <i>(unaudited)</i>	Total <i>HK\$'000</i> <i>(unaudited)</i>
At 1 July 2022	—	18,434	99,719	(543,921)	(425,768)
Loss for the year	—	—	—	(9,270)	(9,270)
Other comprehensive income	—	(684)	(11,725)	—	(12,409)
At 30 June 2023	—	17,750	87,994	(553,191)	(447,447)
At 1 July 2023	—	17,750	87,994	(553,191)	(447,447)
Loss for the year	—	—	—	(6,291)	(6,291)
Other comprehensive income	—	(2,230)	(926)	—	(3,156)
Deemed distribution from disposal of a subsidiary	—	—	—	308,547	308,547
At 30 June 2024	—	15,520	87,068	(250,935)	(148,347)
At 1 July 2024	—	15,520	87,068	(250,935)	(148,347)
Loss for the year	—	—	—	(4,854)	(4,854)
Other comprehensive income	—	(4,631)	2,042	—	(2,589)
At 30 June 2025	—	10,889	89,110	(255,789)	(155,790)
At 1 July 2025	—	10,889	89,110	(255,789)	(155,790)
Loss for the period	—	—	—	(4,716)	(4,716)
Other comprehensive income	—	(10,889)	4,065	—	(6,824)
Deemed distribution from waiver of amount due to immediate parent (<i>note 5</i>)	—	—	—	221,088	221,088
At 31 May 2026	—	—	93,175	(39,417)	53,758

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 June			Eleven months ended 31 May	
	2023	2024	2025	2025	2026
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax	(9,050)	(6,071)	(4,611)	(4,166)	(4,567)
Adjustments for:					
Depreciation	6,903	4,185	2,769	2,536	2,410
Fair value loss on revaluation of buildings	—	—	—	—	531
Interest income	(136)	(67)	(40)	(35)	(15)
Operating loss before working capital changes	(2,283)	(1,953)	(1,882)	(1,665)	(1,641)
(Increase)/decrease in prepayments	(332)	—	—	2	2
Decrease in accruals and other payables	—	—	—	(68)	(69)
Net cash used in operating activities	(2,615)	(1,953)	(1,882)	(1,731)	(1,708)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets	(291)	—	—	—	—
Interest received	136	67	40	35	15
Net cash (used in)/generated from investing activities	(155)	67	40	35	15
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/(decrease) in amount due to immediate parent	9,492	(14,583)	(2,426)	(15,096)	(23,906)
Net cash generated from/(used in) financing activities	9,492	(14,583)	(2,426)	(15,096)	(23,906)

	Year ended 30 June			Eleven months ended 31 May	
	2023	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,722	(16,469)	(4,268)	(16,792)	(25,599)
Effect of foreign exchange rate changes	(3,593)	(148)	620	129	379
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	<u>42,945</u>	<u>46,074</u>	<u>29,457</u>	<u>29,457</u>	<u>25,809</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	<u><u>46,074</u></u>	<u><u>29,457</u></u>	<u><u>25,809</u></u>	<u><u>12,794</u></u>	<u><u>589</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Bank and cash balances	<u><u>46,074</u></u>	<u><u>29,457</u></u>	<u><u>25,809</u></u>	<u><u>12,794</u></u>	<u><u>589</u></u>

1. GENERAL INFORMATION

Si Wan Limited (the “**Target Company**”) was incorporated in Hong Kong with limited liability on 30 June 2000. On 6 October 2023, the Target Company disposed of its direct wholly-owned subsidiary, Amazing Victory Ltd., a company incorporated in the British Virgin Islands with limited liability, to a fellow subsidiary. As at 31 May 2026, the Target Company holds a direct wholly-owned subsidiary, Shanghai Sypher Ltd., a company incorporated in the People’s Republic of China with limited liability.

On 30 June 2026, Heng Tai Consumables Group Limited (the “**Company**”) entered into a sale and purchase agreement for the disposal of the entire issued share capital of the Target Company and its subsidiary (the “**Target Group**”) to a purchaser at a consideration of HK\$54,000,000 (the “**Disposal**”). The purchaser is the chairman, executive director and chief executive officer of the Company. Upon completion of the Disposal, the Target Group will cease to be subsidiaries of the Company.

2. BASIS OF PREPARATION

The Unaudited Financial Information has been prepared by the directors of the Company solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant accounting policies adopted by the Company and its subsidiaries (the “**Group**”) as set out in the annual report for the year ended 30 June 2025 which conform with HKFRS Accounting Standards issued by the HKICPA, throughout the Relevant Periods.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “**Presentation of Financial Statements**” or an interim financial report as defined in Hong Kong Accounting Standard 34 “**Interim Financial Reporting**” issued by the HKICPA, and should be read in connection with the relevant published annual consolidated financial statements of the Company.

The Unaudited Financial Information contained in this circular does not constitute the Target Company’s statutory financial statements for either of the years ended 30 June 2023, 2024 and 2025 but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Target Company is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Target Company’s auditor has reported on these financial statements for all three years. The auditor’s reports were unqualified; included a reference to material uncertainty related to going concern to which the auditor drew attention by way of emphasis; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Companies Ordinance.

The Unaudited Financial Information has been prepared under the historical cost convention, except for buildings which are measured at their revalued amounts. It is presented in Hong Kong dollars (“HK\$”) and, all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

3. FIXED ASSETS

	Buildings <i>HK\$’000</i> <i>(unaudited)</i>	Plant and machinery <i>HK\$’000</i> <i>(unaudited)</i>	Furniture and office equipment <i>HK\$’000</i> <i>(unaudited)</i>	Total <i>HK\$’000</i> <i>(unaudited)</i>
Year ended 30 June 2023				
Opening net carrying amount	99,298	—	—	99,298
Additions	—	—	291	291
Transfer from construction in progress	—	25,603	—	25,603
Depreciation	(3,020)	(3,840)	(43)	(6,903)
Adjustment on revaluation	(912)	—	—	(912)
Exchange differences	(7,556)	—	—	(7,556)
Closing net carrying amount	<u>87,810</u>	<u>21,763</u>	<u>248</u>	<u>109,821</u>
Year ended 30 June 2024				
Opening net carrying amount	87,810	21,763	248	109,821
Disposal of a subsidiary	—	(20,483)	(233)	(20,716)
Depreciation	(2,890)	(1,280)	(15)	(4,185)
Adjustment on revaluation	(2,973)	—	—	(2,973)
Exchange differences	(664)	—	—	(664)
Closing net carrying amount	<u>81,283</u>	<u>—</u>	<u>—</u>	<u>81,283</u>
Year ended 30 June 2025				
Opening net carrying amount	81,283	—	—	81,283
Depreciation	(2,769)	—	—	(2,769)
Adjustment on revaluation	(6,176)	—	—	(6,176)
Exchange differences	<u>1,756</u>	<u>—</u>	<u>—</u>	<u>1,756</u>
Closing net carrying amount	<u>74,094</u>	<u>—</u>	<u>—</u>	<u>74,094</u>
Eleven months ended 31 May 2026				
Opening net carrying amount	74,094	—	—	74,094
Depreciation	(2,410)	—	—	(2,410)
Adjustment on revaluation	(15,050)	—	—	(15,050)
Exchange differences	<u>2,759</u>	<u>—</u>	<u>—</u>	<u>2,759</u>
Closing net carrying amount	<u>59,393</u>	<u>—</u>	<u>—</u>	<u>59,393</u>

4. SHARE CAPITAL

	As at 30 June		As at 31
	2023	2024	May
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2026</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
2 ordinary shares issued and fully paid (HK\$2)	<u>—</u>	<u>—</u>	<u>—</u>

5. DUE TO IMMEDIATE PARENT

The amount due is unsecured, interest-free and repayable on demand.

On 31 May 2026, the outstanding amount due of HK\$221,088,000 was waived by the immediate parent of the Target Company.

When an amount due to immediate parent is waived by the parent, and the parent is acting in its capacity as the owner of the Target Company, the waiver is accounted for as a capital contribution. The difference between the carrying amount of the amount due to immediate parent derecognised and the consideration paid (which is nil in the case of a complete waiver) is recognised directly in equity.

**INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

The following is a summary of the unaudited pro forma consolidated statement of financial position as at 31 December 2025, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 30 June 2025 of the Group excluding Si Wan Limited (the “**Target Company**”) and its subsidiary (the “**Target Group**”) upon the completion of the disposal (the “**Disposal**”) (the “**Remaining Group**”) (the “**Unaudited Pro Forma Financial Information**”) which have been prepared to illustrate the effect of the Disposal (i) as if the Disposal had been completed on 31 December 2025 for the unaudited pro forma consolidated statement of financial position, and (ii) as if the Disposal had been completed on 1 July 2024 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 30 June 2025.

The unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2025 is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 as extracted from the interim report of the Company for the six months ended 31 December 2025 as if the Disposal had been completed on 31 December 2025.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Remaining Group for the year ended 30 June 2025 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 30 June 2025 as extracted from the annual report of the Company for the year ended 30 June 2025 as if the Disposal had been completed on 1 July 2024.

The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position, results of operation or cash flows of the Remaining Group that would have been attained had the Disposal actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group’s future financial position, financial performance or cash flows.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I and other financial information included elsewhere in this circular.

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

	The Group HK\$'000 (note 1(i))	HK\$'000 (note 2)	Pro forma adjustments HK\$'000 (note 3)		HK\$'000 (note 4)	HK\$'000 (note 5)	The Remaining Group HK\$'000
ASSETS							
Non-current assets							
Fixed assets	106,338	(59,393)					46,945
Right-of-use assets	12,178					18,478	30,656
Bearer plants	14,557						14,557
Other intangible assets	4,100						4,100
Other assets	155						155
Investment in a club membership	108						108
Deferred tax assets	9,260						9,260
Loan receivables	6,833						6,833
	153,529						112,614
Current assets							
Biological assets	6,827						6,827
Inventories	93,898						93,898
Loan receivables	7,779						7,779
Trade receivables	128,273						128,273
Prepayments, deposits and other receivables	105,080			10,000			115,080
Investments	75,500						75,500
Bank and cash balances	65,759	(589)	38,728				103,898
	483,116						531,255
TOTAL ASSETS	636,645						643,869
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	2,092						2,092
Reserves	557,755	(93,175)			91,457		556,037
	559,847						558,129
Non-current liabilities							
Lease liabilities	4,214					10,877	15,091
Deferred tax liabilities	10,976	(6,223)					4,753
	15,190						19,844
Current liabilities							
Trade payables	54,209						54,209
Accruals and other payables	5,832	(1)					5,831
Lease liabilities	1,567					4,289	5,856
	61,608						65,896
Total liabilities	76,798						85,740
TOTAL EQUITY AND LIABILITIES	636,645						643,869

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group HK\$'000 (note 1(ii))	Pro forma adjustments			The Remaining Group HK\$'000
		HK\$'000 (note 6)	HK\$'000 (note 7)	HK\$'000 (note 8)	
Revenue	427,993				427,993
Cost of sales	<u>(393,622)</u>				<u>(393,622)</u>
Gross profit	34,371				34,371
Changes in fair value due to biological transformation	(10,157)				(10,157)
Other gains and income	10,735	(40)	85,108		95,803
Selling and distribution expenses	(51,867)				(51,867)
Administrative expenses	(64,658)	4,651		(21,458)	(81,465)
Impairment losses on trade receivables, loan receivables and deposits and other receivables, net	(4,798)				(4,798)
Impairment losses on non-financial assets	(117,121)				(117,121)
Other operating expenses	<u>(1,077)</u>				<u>(1,077)</u>
Loss from operations	(204,572)				(136,311)
Finance costs	<u>(335)</u>			(496)	<u>(831)</u>
Loss before tax	(204,907)				(137,142)
Income tax (expense)/credit	<u>(176)</u>	243			<u>67</u>
Loss for the year	<u>(205,083)</u>				<u>(137,075)</u>
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Fair value change on revaluation of buildings	(6,176)	6,176			—
Deferred tax liability on revaluation of buildings	<u>1,545</u>	<u>(1,545)</u>			<u>—</u>
	<u>(4,631)</u>				<u>—</u>
<i>Items that have been or may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations	2,489	(2,042)		649	1,096
Fair value change of financial assets at fair value through other comprehensive income	<u>(7,262)</u>				<u>(7,262)</u>
	<u>(4,773)</u>				<u>(6,166)</u>
Other comprehensive income for the year	<u>(9,404)</u>				<u>(6,166)</u>
Total comprehensive income for the year attributable to owners of the Company	<u><u>(214,487)</u></u>				<u><u>(143,241)</u></u>

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

	The Group HK\$'000 (note 1(ii))	HK\$'000 (note 6)	Pro forma adjustments HK\$'000 (note 9) (notes 7 & 10) (notes 8 & 11)			The Remaining Group HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax	(204,907)	4,611		85,108	(21,954)	(137,142)
Adjustments for:						
Amortisation of other intangible assets	13,515					13,515
Changes in fair value due to biological transformation	10,157					10,157
Depreciation of fixed assets, net of amount capitalised	15,518	(2,769)				12,749
Depreciation of right-of-use assets, net of amount capitalised	16,354				21,458	37,812
Finance costs	335				496	831
Gain on lease modification	(358)					(358)
Gain on disposal of fixed assets	(2)					(2)
Gain on the Disposal	—			(85,108)		(85,108)
Gain on redemption of financial assets at fair value through profit or loss (“FVTPL”)	(3,265)					(3,265)
Interest income	(6,140)	40				(6,100)
Impairment loss on loan receivables	4,720					4,720
Impairment loss on trade receivables	6,730					6,730
Reversal of impairment loss on trade receivables	(5,962)					(5,962)
Impairment loss on prepayment	6,321					6,321
Impairment loss on inventories	128					128
Reversal of impairment loss on other receivables	(690)					(690)
Impairment loss on fixed assets	62,900					62,900
Impairment loss on right-of-use assets	10,766					10,766
Impairment loss on construction in progress	5,087					5,087
Impairment loss on bearer plants	32,047					32,047
Fixed assets written off	7					7
Fair value gain on financial assets at FVTPL, net	(613)					(613)
Operating loss before working capital changes	(37,352)					(35,470)
Increase in biological assets	(15,836)					(15,836)
Decrease in inventories	32,010					32,010
Increase in other assets	(418)					(418)
Decrease in client trust bank balances	109					109
Decrease in trade and other receivables, prepayments and deposits	19,900					19,900
Decrease in trade and other payables	(491)					(491)

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

	The Group HK\$'000 (note 1(ii))	HK\$'000 (note 6)	Pro forma adjustments HK\$'000 (note 9) HK\$'000 (notes 7 & 10) HK\$'000 (notes 8 & 11)			The Remaining Group HK\$'000
Cash used in operations	(2,078)					(196)
Interest paid	(1)					(1)
Interest on lease liabilities	(334)				(496)	(830)
Net cash used in operating activities	(2,413)					(1,027)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	4,620	(40)				4,580
Net cash inflows from the Disposal	—			22,583		22,583
Repayment of loan receivables	3,419					3,419
Payments for right-of-use assets	(19,405)				(3,312)	(22,717)
Proceeds from disposal of fixed assets	2					2
Proceeds from sales of financial assets at FVTPL	180					180
Purchases of fixed assets	(303)					(303)
Purchase of other intangible assets	(16,780)					(16,780)
Decrease in pledged bank deposits	2,000					2,000
Decrease in time deposits with original maturity over three months	13,390					13,390
Net cash (used in)/generated from investing activities	(12,877)					6,354
CASH FLOWS FROM FINANCING ACTIVITIES						
Net proceeds from placing	4,561					4,561
Decrease in import loans	(147)					(147)
Principal elements of lease payments	(999)				(4,160)	(5,159)
Increase in amount due to immediate parent	—	2,426	(2,426)			—
Net cash generated from/(used in) financing activities	3,415					(745)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS						
	(11,875)					4,582
Effect of foreign exchange rate changes	847	(620)				227
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
	69,137					69,137
CASH AND CASH EQUIVALENTS AT END OF YEAR						
	58,109					73,946
ANALYSIS OF CASH AND CASH EQUIVALENTS						
Bank and cash balances	58,109					73,946

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
REMAINING GROUP

1. Notes:

- (i) The amounts have been extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 as set out in the published interim report of the Company for the six months ended 31 December 2025.
 - (ii) The amounts have been extracted from the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 30 June 2025 as set out in the published annual report of the Company for the year ended 30 June 2025.
2. These adjustments represent the exclusion of the assets and liabilities of the Target Group as at 31 May 2026, the most recent interim period of the financial information of the Target Group, assuming the Disposal had been completed on 31 December 2025. The amounts have been extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 May 2026 as set forth in Appendix II of this circular.
 3. These adjustments assume the net consideration payable by the purchaser to the Remaining Group for the acquisition of the 100% equity interest in the Target Company after offsetting the initial lease payment received by the purchaser, is settled in cash at the amount as shown below, as if the Disposal and the Leaseback Arrangement (refer to note 5 for details) had been completed on 31 December 2025:

	<i>Note</i>	<i>HK\$'000</i>
Consideration	<i>(i)</i>	54,000
Estimated expenses directly attributable to the Disposal	<i>(ii)</i>	<u>(1,960)</u>
Estimated net proceeds from the Disposal		52,040
Initial rent payment settled by way of executing a deed of set-off	<i>(i)</i>	<u>(3,312)</u>
		<u>48,728</u>
Represented by:		
Net consideration received by cash upon completion of the Disposal and Leaseback Arrangement		38,728
Consideration receivable	<i>(i)</i>	<u>10,000</u>
		<u>48,728</u>

Notes:

- (i) Pursuant to the Sale and Purchase Agreement, the consideration for the Disposal is HK\$54,000,000. The consideration shall be settled in multiple stages. A sum of HK\$5,000,000 was received as the first deposit on 30 June 2026. A further sum of HK\$5,000,000 is receivable as the second deposit within thirty business days after the date of the Sale and Purchase Agreement. On the completion date, an amount of HK\$3,312,000 will be settled by way of executing a deed of set-off, which will offset part of the consideration against the initial rent payment (comprising a rental deposit and three months' rent of RMB1,440,000 (equivalent to HK\$1,656,000) and RMB1,440,000 (equivalent to HK\$1,656,000) respectively) payable under the Leaseback Agreement (refer to note 5 for details). Also upon completion, a sum of HK\$30,688,000 shall be payable in cash. The remaining balance of HK\$10,000,000 shall be payable in cash within 45 business days after completion. For the purpose of the unaudited pro forma consolidated statement of financial position, except for the HK\$10,000,000 which is recognised

as consideration receivable, all cash portions of the consideration are assumed to have been received upon completion. For the purpose of the unaudited pro forma consolidated statement of cash flows, all considerations are assumed to have been received during the year ended 30 June 2025.

- (ii) The estimated expenses directly attributable to the Disposal represent costs and expenses of HK\$1,960,000 incurred for the Disposal which will be borne by the Remaining Group and are assumed to be settled in cash.
4. These adjustments represent the estimated gain on the Disposal credited to Reserves, as if the Disposal had been completed on 31 December 2025:

	<i>Note</i>	<i>HK\$'000</i>
Consideration	3(i)	54,000
Net assets of the Target Group as at 31 May 2026	(i)	(53,758)
Release of foreign currency translation reserve attributable to the Disposal as at 31 May 2026	(i)	93,175
Estimated expenses directly attributable to the Disposal	3(ii)	<u>(1,960)</u>
Estimated gain on the Disposal credited to Reserves		<u><u>91,457</u></u>

Notes:

- (i) The amount represents the net assets and the foreign currency translation reserve of the Target Group as at 31 May 2026, as if the Disposal had been completed on 31 December 2025. The amounts have been extracted from the unaudited financial information of the Target Group for the eleven months ended 31 May 2026 as set forth in Appendix II of this circular.
- (ii) Pursuant to Bulletin [2015] No. 7 and Bulletin [2017] No. 37 issued by China's State Taxation Administration, a non-resident enterprise transferring shares in an offshore intermediary enterprise that directly or indirectly holds equity interests in a PRC enterprise is subject to PRC Enterprise Income Tax on gains derived from such indirect transfer. Since the original acquisition cost exceeded the disposal consideration, no taxable gain arises from the transaction, and no provision for taxation for the Disposal is required.
- (iii) The actual financial effects of the Disposal are to be determined based on the consideration and the carrying amount of net assets of the Target Group and the relevant foreign currency translation reserve at the completion date, which may be substantially different from the estimated amounts used in the preparation of the Unaudited Pro Forma Financial Information.
5. Pursuant to the Sale and Purchase Agreement and the Leaseback Agreement, the Group will dispose of its 100% equity interest in the Target Group (which holds the property situated at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC (the “**Property**”)) and simultaneously leaseback the Property for a term of three years (the “**Leaseback Arrangement**”).

The transfer of the Target Group indirectly transfers the Property. Because this transaction satisfies the requirements of HKFRS 15 to be accounted for as a sale, the Remaining Group applies HKFRS 16 to measure the resulting lease liability and right-of-use (“**ROU**”) asset arising from the sale and leaseback arrangement. The pro forma adjustments reflect the following:

- (i) A lease liability of HK\$15,166,000 is recognised based on the present value of total lease payments over the three-year lease term, excluding the initial rent payment paid at the commencement of the Leaseback Arrangement, discounted using the applicable incremental borrowing rate.
- (ii) The ROU asset arising from the leaseback is measured as the proportion of the Property's previous carrying amount attributable to the right of use retained by the Remaining Group. As the Property is measured using the revaluation model, its carrying amount approximates its fair value, and no deferred

gain or loss arises from the sale and leaseback of the Property. Accordingly, the ROU asset recognised in the unaudited pro forma consolidated statement of financial position equals the sum of the initial lease liabilities and the initial rent payment, amounting to HK\$18,478,000.

6. These adjustments represent the exclusion of the financial performance and cash flows of the Target Group for the year ended 30 June 2025, as if the Disposal had been completed on 1 July 2024. The amounts have been extracted from the unaudited financial information of the Target Group for the year ended 30 June 2025 as set forth in Appendix II of this circular.
7. These adjustments represent the estimated gain on the Disposal, as if the Disposal had been completed on 1 July 2024:

	<i>Note</i>	<i>HK\$'000</i>
Consideration	3(i)	54,000
Net assets of the Target Group as at 1 July 2024	(i)	<u>(100,205)</u>
		(46,205)
Reclassify as the prepayment of lease (included in ROU assets) arising from the sale and leaseback arrangement	(ii)	<u>46,205</u>
		—
Estimated expenses directly attributable to the Disposal	3(ii)	(1,960)
Release of foreign currency translation reserve attributable to the Disposal as at 1 July 2024	(iii)	<u>87,068</u>
Estimated gain on the Disposal		<u><u>85,108</u></u>

Notes:

- (i) The amount represents the adjusted net assets of the Target Group to be disposed of, assuming the completion of the Disposal and the waiver of the amount due to the Remaining Group had taken place on 1 July 2024. As at 30 June 2024, the Target Group was in an unaudited net liability position of HK\$148,347,000, as extracted without adjustment from the unaudited financial information of the Target Group set forth in Appendix II of this circular. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that prior to the completion of the Disposal, the Remaining Group will waive the amount due from the Target Group in the amount of HK\$248,552,000, thereby adjusting the Target Group's position to a net asset value of HK\$100,205,000 upon the Disposal.
- (ii) Refer to note 5, the sale and leaseback arrangement shall be accounted for in accordance with HKFRS 16.

The Property is measured using the revaluation model under HKAS 16, and its carrying amount in the unaudited financial information of the Target Group as at 30 June 2024 approximated its fair value as at 1 July 2024.

The deemed consideration allocated to the Property, which is determined based on the gross consideration net of the carrying amounts of other assets and liabilities disposed of (assuming their carrying amounts approximate their fair values), is lower than the fair value of the Property by HK\$46,205,000. Pursuant to HKFRS 16.101(a), this difference is accounted for as a below-market rate lease adjustment. Such below-market rate lease adjustment arose due to the timing difference between the valuation dates: (i) the consideration was determined based on the date of Sale and Purchase Agreement as at 30 June 2026, whereas (ii) the fair value of the Property adopted in the Unaudited Pro Forma Financial Information was determined as at 1 July 2024. Accordingly, the shortfall of HK\$46,205,000 is recognised as a prepayment/ROU asset adjustment, with a corresponding adjustment to the gain/loss on the Disposal.

- (iii) The amount represents the foreign currency translation reserve of the Target Group as at 1 July 2024. The amount has been extracted from the unaudited financial information of the Target Group for the year ended 30 June 2024 as set forth in Appendix II of this circular.
- (iv) The actual financial effects of the Disposal are to be determined based on the consideration and the carrying amount of net assets of the Target Group and the relevant foreign currency translation reserve at the completion date, which may be substantially different from the estimated amounts used in the preparation of the Unaudited Pro Forma Financial Information.
8. These adjustments represent the recognition of depreciation of ROU assets of HK\$21,458,000 and interest on lease liabilities of HK\$496,000 arising on the sale and leaseback arrangement (refer to note 5 for details), as if the Disposal had been completed on 1 July 2024.
9. For the purpose of preparation of the unaudited pro forma consolidated statement of cash flows of the Remaining Group, the cash flows in relation to advances to and repayments from the Target Group with net amount of HK\$2,426,000 paid to the Remaining Group during the year ended 30 June 2025 was not adjusted.
10. These adjustments represent the estimated cash flows arising on the Disposal of the Target Group, as if the Disposal had been completed on 1 July 2024:

	<i>Note</i>	<i>HK\$'000</i>
Consideration	3(i)	54,000
Less: Estimated expenses directly attributable to the Disposal	3(ii)	(1,960)
Bank and cash balances held by the Target Group as at 1 July 2024	(i)	<u>(29,457)</u>
Estimated cash inflow arising on the Disposal		<u><u>22,583</u></u>

Note:

- (i) The amount has been extracted from the unaudited consolidated statement of financial position of the Target Group as at 30 June 2024 as set forth in Appendix II of this circular.
11. The adjustment reflects the cash outflows associated with the Leaseback Arrangement, prepared as if it had been completed on 1 July 2024. For the year ended 30 June 2025, the total estimated cash outflows relating to the lease amounted to HK\$7,472,000. This amount comprises: (i) HK\$1,656,000 representing the placement of rental deposits upon the completion of the leaseback arrangement, which is classified under investing activities; (ii) HK\$1,656,000 representing the placement of three months' prepaid rent, which is classified under investing activities; and (iii) the remaining balance of HK\$4,160,000 representing the repayment of lease liabilities during the year, which is classified under financing activities.
12. Except for the depreciation charge of ROU assets and finance cost from the lease liabilities as mentioned in note 8 and the repayment of lease liabilities mentioned in note 11, the above pro forma adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.
13. On 30 January 2026, the Group completed the acquisition of 100% equity interest in V.Profit International Travel Services Limited for a consideration of HK\$972,000, as disclosed in the Company's announcements dated 24 December 2025 and 30 January 2026. As this acquisition took place subsequent to (i) 31 December 2025 for the purpose of preparation of the unaudited pro forma consolidated statement of financial position; and (ii) 1 July 2024 for the purpose of preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group and is not directly attributable to the Disposal, no adjustment has been made to the Unaudited Pro Forma Financial Information to reflect the financial position, financial performance and cash flows results of the acquisition.

Apart from the above, no other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to (i) 31 December 2025 for the purpose of preparation of the unaudited pro forma consolidated statement of financial position; and (ii) 1 July 2024 for the purpose of preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong.

**RSM Hong Kong**

29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong

T +852 2598 5123
F +852 2598 7230

rsm.global/hongkong/assurance

羅申美會計師事務所

香港銅鑼灣
恩平道28號
利園二期29樓

電話 +852 2598 5123
傳真 +852 2598 7230

rsm.global/hongkong/assurance

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****The Board of Directors of Heng Tai Consumables Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Heng Tai Consumables Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2025 and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the unaudited pro forma consolidated statement of cash flows for the year ended 30 June 2025, and related notes as set out in Appendix III of the circular issued dated 31 August 2026 by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection with the proposed disposal of the 100% equity interest in Si Wan Limited and its subsidiary (the “**Disposal**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-2 to III-9 of the circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal on the Group's financial position as at 31 December 2025 and the Group's financial performance and cash flows for the year ended 30 June 2025 as if the Disposal had been taken place at 31 December 2025 and 1 July 2024, respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial information for the six months ended 31 December 2025 on which a review report or an auditor's report have not been published, while information about the Group's financial performance and cash flows has been extracted by the Directors from the audited financial statements for the year ended 30 June 2025, on which an unmodified opinion was issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

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

Reporting Accountant's Responsibilities

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

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

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

The purpose of Unaudited Pro Forma Financial Information included in the circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 31 December 2025 for the Group’s financial position and 1 July 2024 for the Group’s financial performance and cash flows would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

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

RSM Hong Kong

Certified Public Accountants

Hong Kong, 31 August 2026

Looking ahead, the Remaining Group will continue to operate and develop the FMCG Trading Business and the Disposal together with the Leaseback Arrangement will not have any material adverse effect on the business operation of the FMCG Trading Business. While the business model of the FMCG Trading Business will remain unchanged after the Disposal, the proceeds from the Disposal in the amount of approximately HK\$27 million will be applied by the Remaining Group for further development of the Remaining Group's FMCG Trading Business and Agri-Products Business with an aim to enhance its revenue stream and profitability of the business including the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation as well as the obtaining the exclusive distribution rights for new products including sparkling water, red wine, white wine, tea and chocolate.

To support the future growth and operational continuity of the FMCG Trading Business, the Remaining Group will utilise its internal resources and market expertise to sustain its operations and to drive further developments. The Remaining Group will also seek to capture new market opportunities by enhancing its business capabilities, broadening its customer base and maintaining its competitive position.

The Agri-Products Business generates revenue through the cultivation, sale and trading of fresh and processed fruits and vegetables in both Hong Kong and the domestic PRC market. The Agri-Products Business comprises the trading of fresh produce imported from countries such as Australasia and Southeast Asia, the domestic sourcing of fresh produce, and upstream cultivation operations in China. The Remaining Group has been reallocating more resources to the domestic agricultural products trading business with support from a processing center in Dongguan the PRC, which provides washing, sorting and grading, packing, and storage services for domestic fresh produce. The Remaining Group also continues to operate the plantations of early-crop oranges and ponkans at its farming base in Jiangxi, the PRC. The Agri-Products Business together with the FMCG Trading Business come together to form two vertically integrated supply chains allowing the Remaining Group to effectively deliver perishable and nonperishable consumer products in PRC.

The Agri-Products Business will involve processing, packaging and branding, quality assurance, storage and handling, logistics and distribution and marketing and sales support, which are all value-adding services that improve efficiency, reliability, and customers' satisfaction.

Looking forward, the Remaining Group will continue to operate and develop the Agri-Products Business alongside with the FMCG Trading Business and they will remain as the principal business of the Remaining Group and the proceeds from the Disposal in the amount of approximately HK\$17 million will be used for development of the Company's FMCG Trading Business and Agri-Products Business including the development of artificial intelligent data analysis system, KOL marketing and promotion and internet platform operation.

Set out below is the management discussion and analysis of the Remaining Group's results of operation for each of for the three years ended 30 June 2023, 2024 and 2025 and the six months ended 31 December 2025. The information set out below is principally extracted from Company's annual reports for each of the years ended 30 June 2023, 2024 and 2025 and the interim report for the six months ended 31 December 2025, respectively.

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Remaining Group below is made with the exclusion of the Target Company. There will be no change to the principal businesses of the Remaining Group as a result of the Disposal. Following the Disposal, the Remaining Group will continue to carry out its existing businesses.

(a) For the six months ended 31 December 2025

FINANCIAL PERFORMANCE

During the six months ended 31 December 2025, the Remaining Group was principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the **"FMCG Trading Business"**); and (ii) the trading of agri-products (**"Agri-Products Trading Business"**) and the upstream farming business (**"Upstream Farming Business"**) (collectively the **"Agri-Products Business"**). The two businesses come together to form two vertically integrated supply chains allowing the Remaining Group to effectively deliver perishable and non-perishable consumer products in China.

During the six months ended 31 December 2025, the Remaining Group's turnover was approximately HK\$158.3 million, representing a decrease of approximately 33.6%, compared to approximately HK\$238.3 million in the same period last year. The decline in revenue was primarily attributable to reduced revenue from both the imported product trading businesses and the upstream farming business, as well as the absence of income from the securities brokerage and margin financing business following its cessation of operations, partly offset by a slight increase in revenue from the domestic agricultural products trading business. China's economy remained weak in 2025, primarily due to the persistent real estate and debt crises and the resulting soft market demand. To make matters worse, domestic brands continued to compete aggressively through low pricing and extensive advertising campaigns, intensifying market competition. Against this backdrop, the Remaining Group strategically scaled down its trading business for a number of unprofitable imported products and the fertilizer trading business and fully exited non-core business such as the securities brokerage and margin financing business in order to reduce operating expenses and overheads during the six months ended 31 December 2025. Additionally, the Remaining Group was required to lower the selling prices of various products, including imported products and self-grown agricultural products, to maintain competitiveness. As a result, revenue across different business segments recorded a decline during the six months ended 31 December 2025.

The gross profit margin decreased from approximately 7.3% to approximately 5.3% compared with the same period last year. The decline in the gross profit margin was primarily attributable to the decline in the gross profit margin of the FMCG Trading Business. As previously mentioned, the Remaining Group was required to reduce the selling prices of most

products, particularly our imported FMCG products, in order to remain competitive against domestic brands, while sourcing costs continued to rise, further compressing margins and resulting in a notable deterioration in the FMCG Trading Business's gross profit margin. On the other hand, the gross profit margin of the Agri-Products Business remained relatively stable during the six months ended 31 December 2025, as the margin contraction of imported agricultural products, which faced similar market pressures as those in the FMCG Trading Business, was largely offset by the steady margins recorded in the trading of domestic agricultural products.

Changes in fair value due to biological transformation decreased from approximately HK\$5.1 million to approximately HK\$4.4 million compared with the same period last year. The decrease was mainly attributable to the decrease in plantation costs and other overheads.

Other gains and income increased from approximately HK\$5.3 million to approximately HK\$11.6 million compared to the same period last year. Other gains and income for the six months ended 31 December 2025 mainly represents the fair value gain of approximately HK\$6.0 million and interest income of approximately HK\$2.7 million derived from the investment in the bonds issued by China Healthwise Holdings Limited ("**China Healthwise**"), interest income from bank deposits and loan receivables of approximately HK\$0.3 million and approximately HK\$0.7 million respectively, a reversal of trade payables of approximately HK\$0.7 million, a government subsidy of approximately HK\$0.5 million and other miscellaneous income of approximately HK\$0.7 million.

Selling and distribution expenses decreased by approximately 14.6%, from about HK\$22.2 million to approximately HK\$18.9 million during the six months ended 31 December 2025. The decrease in selling and distribution expenses was primarily attributable to the decline in revenue and the corresponding decrease in related selling and distribution activities, including advertising and promotional expenditures, freight and transportation costs, and logistics handling expenses, as the Remaining Group scaled down the trading business for a number of unprofitable products during the six months ended 31 December 2025. Selling and distribution expenses included, among others, the development of sales and marketing channels, outlays on brand building and promotion, freight and transportation, commission as well as distribution expenses all together spent in support of the Remaining Group's sales activities.

Administrative expenses decreased by approximately 22.2% from approximately HK\$31.0 million to approximately HK\$24.1 million during the six months ended 31 December 2025. The decrease in administrative expenses was primarily attributable to the Remaining Group's reduced scale of operations and continuous cost saving initiatives.

Impairment losses on trade receivables and other receivables were approximately HK\$5.7 million (six months ended 31 December 2024: Nil). During the six months ended 31 December 2025, given the deteriorating operating environment, the Remaining Group has continued to take a cautious approach toward receivables that are exposed to higher collectability risks amid the uncertain economic conditions.

Other operating expenses were immaterial during the six months ended 31 December 2025, compared to approximately HK\$2.4 million for the same period last year, which primarily related to an impairment loss on an investment in the equity shares of Global Mastermind Holdings Limited.

Finance costs were kept at a minimal level during the six months ended 31 December 2025.

The decrease in the Remaining Group's net loss can be summarised as mainly attributable to approximately HK\$0.7 million decrease in change in fair value due to biological transformation, approximately HK\$6.4 million increase in other gains and income, approximately 14.6% decrease in selling and distribution expenses, approximately 22.2% decrease in administrative expenses and approximately HK\$2.4 million decrease in other operating expenses, but partly offset by approximately 33.6% decrease in revenue, approximately 2.0% decrease in gross profit margin, and approximately HK\$5.7 million increase in impairment losses on trade receivables and other receivables.

(b) For the year ended 30 June 2025

FINANCIAL PERFORMANCE

During the financial year 2024/2025 (“FY2024/25”), the Remaining Group generated total revenue of approximately HK\$428.0 million as compared to approximately HK\$442.0 million for financial year 2023/24 (“FY2023/24”), representing a fall of approximately 3.2%. The decrease in revenues was mainly attributable to the decrease in the revenues of the FMCG Trading Business, but partly offset by the increase in the revenues of the Agri-Products Business. During the financial year under review, the revenues of the FMCG Trading Business continued to drop due to weak market demand and keen competition from domestic brands. The Remaining Group had to reduce selling prices of certain products to maintain competitiveness in a tough market. The Remaining Group continued to refine its product mix, reducing product categories facing fierce competition like beverage to reduce different kinds of operating expenses like marketing expenses, which also decreased the revenue of the FMCG Trading Business. On the other hand, the Remaining Group managed to increase selling prices for certain imported and self-grown agricultural products by virtue of their upgraded quality thanks to the improved procurement network and cultivation skills. Additionally, some revenues for the fertilizer trading business were recognised during FY2024/25, thus increasing the revenues of the Agri-Products Business compared to the last financial year, which partially counteracted the decline in the revenue of the FMCG Trading Business. During FY2024/25, the revenue of the securities brokerage and margin financing business declined because the Remaining Group continued to shrink its scale of operations.

Gross profit margin remained fairly stable at approximately 8.0% compared to approximately 8.3% of FY2023/24, which was a combination of the increase in the gross profit margin of the Agri-Products Business but offset by the decrease in the gross profit margin of the FMCG Trading Business. During FY2024/25, the Remaining Group continued to expand its procurement network in order to source more agricultural products with distinctive market differentiations, which enabled the Remaining Group to increase selling prices to

reflect their upgraded and high quality, and thus improving the gross profit margin of the Agri-Products Business. On the other hand, although the Remaining Group did not participate in price war for the FMCG Trading Business, the Remaining Group had to reduce selling prices for certain products to stay competitive, let alone passed on the rising sourcing costs to customers, which suppressed the overall gross profit margin and offset the improvement contributed by the Agri-Products Business.

Changes in fair value due to biological transformation decreased from approximately HK\$19.7 million to approximately HK\$10.2 million. The decrease was mainly attributable to lower depreciation as certain assets and investments of the Upstream Farming Business were impaired and fully depreciated in FY2023/24.

Other gains and income decreased to approximately HK\$10.7 million compared to approximately HK\$12.3 million in FY2023/24. Other gains and income mainly represented interest income of approximately HK\$4.9 million derived from the investments in the bonds issued by China Healthwise Holdings Limited (“**China Healthwise**”), an interest income from bank deposits of approximately HK\$1.2 million, a fair value gain and a redemption gain on the convertible bonds issued by China Healthwise of approximately HK\$7.2 million, and other miscellaneous income of approximately HK\$0.8 million, and partly offset by a fair value loss on the investments in Global Mastermind Holdings Limited of approximately HK\$3.4 million.

Selling and distribution expenses increased by approximately 18.9% from approximately HK\$43.6 million to approximately HK\$51.9 million compared to FY2023/24, representing approximately 12.1% of total revenue (FY2023/24: 9.9%). The increase in the selling and distribution expenses as a percentage of turnover was mainly attributable to the trading business for fertilizers and the increase in freight and transportation, logistics handling costs in distribution hubs and amortisation amount for distribution rights during the financial year under review. Selling and distribution expenses included, among others, promotion campaigns for the development of sales and marketing channels, outlays on brand building, marketing, freight and transportation, depreciation amount for right-of-use assets, commission as well as sales force, logistics handling and distribution expenses all together spent in support of the Remaining Group’s sales activities.

Administrative expenses increased by approximately 3.7% from approximately HK\$62.4 million to approximately HK\$64.7 million compared to FY2023/24. The increase in administrative expenses was primarily attributable to the increase in business activities and general inflation in the post-pandemic era, but partly offset by the Remaining Group’s various cost saving initiatives.

Net impairment losses on trade receivables, loan receivables and deposits and other receivables were approximately HK\$4.8 million (FY2023/24: HK\$6.3 million) as the Remaining Group has continued to take a cautious approach on the receivables that exposed to a higher risk of collectability given these uncertain economic conditions, partly offset by the reversal of the impairment losses on trade receivables and deposits and other receivables in previous years.

Impairment losses on non-financial assets of approximately HK\$117.1 million (FY2023/24: HK\$112.8 million) represented impairment losses on the Upstream Farming Business segment assets, of which approximately HK\$62.9 million for fixed assets, approximately HK\$32.0 million for bearer plants, approximately HK\$10.8 million for right-of-use assets, approximately HK\$5.1 million for construction in progress and approximately HK\$6.3 million for prepayments. During the financial year under review, the business environment of the Remaining Group remained challenging, especially for new developments like agri-tourism business, new arable land development and fruit processing centre in Jiangxi for the reasons that (i) the economic growth of the PRC continued to be dragged down by the real estate crisis and the weak market demand after the pandemic; (ii) the capital commitment and recurring operating expenses were expected to be significant for the operation commencement; and (iii) the competition was fierce, in particular the agri-tourism business which required well-established sales network and tremendous promotions to attract visitors as well as different formalities required for the operations, absence of reliable business partners who are familiar with tourism industry severely affected the business development plan under the current environment. During FY2024/25, the Remaining Group has been negotiating with various travel agencies, but no solid collaboration plan could be finalized. Given these unfavorable circumstances, the Remaining Group was more conservative on the abovementioned new developments and the Remaining Group will only reactivate the development plan when the market shows signs of recovery and suitable business partners are in place to jointly invest in the abovementioned new developments. As the economic performance of the abovementioned new developments deviated from the original plan, leading to a decline in future free cash flows and thus an impairment loss to its carrying amount compared with its value in use. The management has adopted the income approach consistently as in the previous financial year as the valuation method, with a pre-tax discount rate of 9.67% for the current year (FY2023/24: 10.45%). The income approach is an appropriate method that can reflect the value of cash flow generated by the continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the value in use of cash generating units.

Other operating expenses increased from approximately HK\$0.5 million to approximately HK\$1.1 million. Other operating expenses for FY2024/25 mainly represented an one time restructuring cost related to the Upstream Farming Business of approximately HK\$1.0 million and other miscellaneous expenses of approximately HK\$0.1 million.

Finance costs were kept at a minimal level during the financial year.

Net loss for the year ended 30 June 2025 was approximately HK\$205.1 million (FY2023/24: HK\$196.4 million). The increase in the net loss was mainly attributable to a combination of approximately 3.2% decrease in turnover, approximately 18.9% increase in selling and distribution expenses, approximately 3.7% increase in administrative expenses, approximately HK\$1.5 million decrease in other gains and income, approximately HK\$4.3 million increase in impairment losses on non-financial assets, and approximately HK\$0.6 million increase in other operating expenses, but partly offset by approximately HK\$9.6 million decrease in changes in fair value due to biological transformation, and approximately HK\$1.5 million decrease in net impairment losses on trade receivables, loan receivables and deposits and other receivables.

SIGNIFICANT INVESTMENT HELD AND ITS PERFORMANCE

At 30 June 2025, the Remaining Group held convertible bonds and straight bonds issued by China Healthwise. China Healthwise is a listed company in the main board of the Stock Exchange and together with its subsidiaries are principally engaged in sale of Chinese health products, money lending business and investment in financial instruments. On 19 August 2024, 8 October 2024, 15 November 2024 and 22 November 2024, the Remaining Group and China Healthwise entered into a subscription agreement and three supplemental agreements (collectively the “**Subscription Agreements**”) for subscribing the bonds issued by China Healthwise in the aggregate principal amount of HK\$72.3 million, of which HK\$16.8 million is the principal amount of the convertible bonds and HK\$55.5 million is the principal amount of the straight bonds (collectively the “**Bonds**”). On 31 December 2024, all conditions precedents to the subscription of the Bonds under the Subscription Agreements have been satisfied and the Bonds were issued. The consideration for the subscription of the Bonds was set off against the outstanding principal amount of HK\$72.3 million under the outstanding convertible bonds issued by China Healthwise to the Remaining Group on 11 October 2018.

The convertible bonds bear interest at a rate of 6% per annum, the conversion price at which the convertible bonds is to be converted into conversion share shall be HK\$0.088 per conversion share. Based on the conversion price of HK\$0.088 per conversion share, a maximum of 190,909,090 new shares may be allotted and issued by China Healthwise, which represents approximately 19.86% of the issued share capital as enlarged by the issue and allotment of the new shares. As at 30 June 2025, the outstanding principal amount of the convertible bonds was HK\$16.8 million and its fair value classified and measured through profit or loss was approximately HK\$20.8 million, hence recorded a fair value gain on investment of approximately HK\$4.0 million.

The straight bonds bear interest at a rate of 8% per annum. As at 30 June 2025, the outstanding principal amount of the straight bonds was HK\$55.5 million and its fair value classified and measured through other comprehensive income was approximately HK\$48.2 million.

The maturity dates of the Bonds shall be two years from the date of issue 31 December 2024. The aggregate fair value of the Bonds at 30 June 2025 was approximately HK\$69.0 million, representing approximately 10.5% of the Remaining Group’s total assets, and the Remaining Group recorded an aggregate of interest income of approximately HK\$4.9 million from the aforesaid investment in China Healthwise during the financial year.

The objective for the aforesaid investment is to better utilise the Remaining Group’s available cash and seek higher interest income and potential capital gain in view of the uncertain global trading market.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Remaining Group maintained a healthy financial position throughout the year under review. The Remaining Group financed its operations and business development with internally generated resources and equity funding.

On 12 August 2024, the Company issued 21,000,000 ordinary shares to not less than six independent placees at the placing price of HK\$0.233 per share. The aggregate nominal value of the placing shares was HK\$210,000. The market price of the shares on 19 July 2024, being the date of the placing agreement, was HK\$0.241 per share. The gross proceeds of the placing was approximately HK\$4.9 million. The net proceeds of the placing was approximately HK\$4.6 million, representing a net issue price (i.e. placing price less expenses incurred in the placing) of approximately HK\$0.22 per placing share, was fully utilised as general working capital of the Remaining Group as intended.

At 30 June 2025, the Remaining Group did not have any interest-bearing borrowings (30 June 2024: HK\$0.1 million), hence no gearing ratio was presented (30 June 2024: 0.02%). The gearing ratio was expressed as a ratio of total bank borrowings to total assets. As at 30 June 2025, the Remaining Group's bank facilities were secured by corporate guarantees provided by the Company and certain subsidiaries of the Company, and charge over minimal securities (30 June 2024: corporate guarantees provided by the Company and certain subsidiaries of the Company, charge over investments of a subsidiary in carrying amount of approximately HK\$3.5 million and pledged bank deposits of certain subsidiaries in carrying amount of approximately HK\$2.0 million).

A significant portion of sales, purchases, services income and bank and cash equivalents of the Remaining Group were either denominated in Renminbi, Hong Kong dollars or US dollars. The Remaining Group will closely monitor the foreign currency exposure and may consider arranging for hedging facilities when it is necessary. At 30 June 2025, the Remaining Group did not have any significant hedging instrument outstanding.

At 30 June 2025, the Remaining Group's current assets amounted to approximately HK\$421.6 million (30 June 2024: HK\$514.4 million) and the Remaining Group's current liabilities amounted to approximately HK\$66.2 million (30 June 2024: HK\$65.8 million). The Remaining Group's current ratio maintained at a level of approximately 6.4 at 30 June 2025 (30 June 2024: 7.8). At 30 June 2025, the Remaining Group had total assets of approximately HK\$658.5 million (30 June 2024: HK\$869.6 million) and total liabilities of approximately HK\$81.6 million (30 June 2024: HK\$82.7 million).

NUMBER AND REMUNERATION OF EMPLOYEES

At 30 June 2025, the Remaining Group had 243 employees for its operations in China, Hong Kong and Macau. The Remaining Group's employees are remunerated in accordance with their work performance and experience. The Remaining Group also participates in a retirement benefit scheme for its staff in the PRC and a defined Mandatory Provident Fund Scheme for its staff in Hong Kong. For the year ended 30 June 2025, no forfeited contributions by the Remaining Group on behalf of employees who leave the scheme prior to vesting fully in

such contributions was used by the Remaining Group to reduce the existing level of contributions. The Remaining Group provides various trainings to employees including but not limited to induction training, on-the-job training provided by department heads and sponsorship program for position-related self-education and professional qualification.

SHARE OPTION SCHEME

The Remaining Group has adopted a share option scheme on 21 December 2018 of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. During the year ended 30 June 2025, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the share option scheme at 30 June 2025 (30 June 2024: Nil). The number of options available for grant under the share option scheme mandate at 1 July 2024, 30 June 2025 and the date of this report was 9,363,480, which represented approximately 5.2% of the issued shares of the Company at the date of this report.

CONTINGENT LIABILITIES

At 30 June 2025, the Remaining Group did not have any significant contingent liabilities (2024: HK\$Nil).

(c) For the year ended 30 June 2024

FINANCIAL PERFORMANCE

During FY2023/24, the Remaining Group generated total revenue of approximately HK\$442.0 million as compared to approximately HK\$440.6 million for financial year 2022/23 (“FY2022/23”), representing a rise of approximately 0.3%. The slight increase in revenues was mainly attributable to the increase in the revenues of the domestic fresh produce trading business and the Upstream Farming Business, but substantially offset by the decrease in the revenues of the traditional trading business of the imported products, including our imported FMCG and agricultural products, which was primarily attributable to the weak market demand and keen competition. During the financial year under review, China’s economy was still sluggish after a short-lived rebound following the ease of the pandemic restrictions. While some sectors such as domestic travel had experienced stable recovery since the pandemic, other sectors such as foreign trade and import industries remained very weak during FY2023/24. The Remaining Group’s imported FMCG and agricultural products trading business also faced fierce competition from domestic brands, not only stemming from their price advantage partly due to the weak Renminbi, but also the shrinking gap in product quality and product variety between the imported products and the domestic brands together with their overwhelming advertisements. To cope with the challenging environment of the imported products trading business, the Remaining Group continued to develop its domestic products trading business and the Upstream Farming Business, including enhancing the food processing centre in Dongguan, sourcing new fertilizers and hiring specialists to improve the quality of our self-grown agricultural products, which has been gaining traction and the revenues of the domestic fresh produce trading business and the Upstream Farming Business recorded healthy and steady growth during FY2023/24. On the other hand, the revenue of the securities brokerage

and margin financing business also declined primarily due to the weak capital market activities, as well as the Remaining Group's attempt to downsize its operations in this business segment during FY2023/24.

Gross profit margin increased from approximately 7.1% to approximately 8.3% compared to FY2022/23. The increase was mainly attributable to the better product mix and the higher operational efficiency arising from the food processing centre in Dongguan, which has effectively smoothed the operations by increasing the operation capacity and lower the sourcing costs, remarkably improving the Agri-Products Trading Business's gross profit margin. Although the market demand was weak and the competition was keen, the Remaining Group adopted stable pricing strategy and did not participate in price competition. Meanwhile, the Remaining Group strived to negotiate larger discounts from the suppliers by way of bulk purchase, which was particularly effective for the domestic fresh produce trading business when its scale getting larger during FY2023/24. Additionally, the Remaining Group continued to source more suitable and niche products for the PRC market to refine its product portfolio, which also improved the gross profit margin of the FMCG Trading Business during FY2023/24.

Changes in fair value due to biological transformation decreased from approximately HK\$41.9 million to approximately HK\$19.7 million. The decrease was mainly attributable to less depreciation as part of the farmland infrastructure has been fully depreciated during FY2023/24 as well as the decrease in plantation costs and other overheads.

Other gains and income increased to approximately HK\$12.3 million compared to approximately HK\$10.1 million in FY2022/23. The gains and income mainly represented an interest income of approximately HK\$4.3 million derived from the investment in a convertible bond issued by China Healthwise Holdings Limited ("**China Healthwise**"), an interest income from bank deposits of approximately HK\$2.3 million, a fair value gain on the convertible bond issued by China Healthwise of approximately HK\$5.9 million and other miscellaneous income of approximately HK\$1.3 million and partly offset by a fair value loss on the investments in Global Mastermind Holdings Limited and First Bullion Holdings Inc. of approximately HK\$1.2 million and approximately HK\$0.3 million respectively.

Selling and distribution expenses increased by approximately 42.8% from approximately HK\$30.5 million to approximately HK\$43.6 million compared to FY2022/23, representing approximately 9.9% of total revenue (FY2022/23: 6.9%). The increase in the selling and distribution expenses as a percentage of turnover was mainly attributable to the increase in advertising and promotion activities, freight and transportation, logistics handling costs in distribution hubs, amortisation amount for distribution rights and depreciation amount for right-of-use assets recognised through selling and distribution expenses during the financial year under review. Selling and distribution expenses included, among others, promotion campaigns for the development of sales and marketing channels, outlays on brand building, marketing, freight and transportation, commission as well as sales force, logistics handling and distribution expenses all together spent in support of the Remaining Group's sales activities.

Administrative expenses decreased by approximately 3.0% from approximately HK\$64.3 million to approximately HK\$62.4 million compared to FY2022/23. The decrease in administrative expenses was primarily attributable to the Remaining Group's various cost saving initiatives, the trimming down of some unprofitable operations such as the securities brokerage and margin financing business and savings in professional fees during FY2023/24.

Impairment losses on trade receivables and deposits and other receivables were approximately HK\$6.3 million (FY2022/23: HK\$2.8 million) as the Remaining Group has continued to take a cautious approach on the receivables that exposed to a higher risk of collectability given these tumbling and uncertain economic conditions.

Other operating expenses decreased from approximately HK\$27.2 million to approximately HK\$0.5 million, which comprised of a written off of a money lender license of approximately HK\$0.4 million and an exchange loss of approximately HK\$0.1 million.

Impairment losses on non-financial assets of approximately HK\$112.8 million (FY2022/23: Nil) represented impairment losses on the Upstream Farming Business segment assets, of which approximately HK\$55.1 million for fixed assets, approximately HK\$34.4 million for bearer plants, approximately HK\$10.6 million for right-of-use assets, approximately HK\$10.3 million for construction in progress and approximately HK\$2.4 million for prepayments. During the financial year under review, the business environment of the Remaining Group remained challenging for the reasons that (i) the economic growth of the PRC continued to be dragged down by the real estate crisis and the weak market demand after the pandemic; (ii) the competition from domestic products remained fierce; (iii) inclement weather condition continued to pose a threat to the Upstream Farming Business of the Remaining Group; and (iv) the persistently high interest rate environment significantly increased funding costs and discouraged new investments. Given these unfavourable circumstances, the Remaining Group was conservative on the development of the Upstream Farming Business and has lowered its expectation for future business performance and prospects and the management has prepared a profit and cash flow forecast on a more conservative basis such as lower sales growth and lower gross profit projection as compared with the previous financial year's forecast. Furthermore, the Remaining Group also used a higher pre-tax discount rate of 10.45% (FY2022/23: 9.17%) to reflect the risks associated with the adverse factors inflicting on the Upstream Farming Business, resulting in a decline in future free cash flows and thus an impairment loss to its carrying amount compared with its value in use. The management has adopted the income approach consistently as in the previous financial year as the valuation method. The income approach is an appropriate method that can reflect the value of cash flow generated by the continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the value-in-use of cash generating units.

Finance costs were kept at a minimal level during the financial year.

Net loss for the year ended 30 June 2024 was approximately HK\$196.4 million (FY2022/23: HK\$125.6 million). The increase in the net loss was mainly attributable to a combination of approximately 42.8% increase in selling and distribution expenses, approximately HK\$3.5 million and HK\$112.8 million increase in impairment losses on trade receivables and deposits

and other receivables and on non-financial assets respectively, but partly offset by approximately 0.3% increase in turnover, approximately 1.2% increase in gross profit margin, approximately HK\$22.2 million decrease in changes in fair value due to biological transformation, approximately 3.0% decrease in administrative expenses and approximately HK\$26.7 million decrease in other operating expenses.

SIGNIFICANT INVESTMENT HELD AND ITS PERFORMANCE

At 30 June 2024, the Remaining Group held a convertible bond issued by China Healthwise (the “**Outstanding Bonds**”). China Healthwise is a listed company of the main board of the Stock Exchange and together with its subsidiaries are principally engaged in sale of Chinese health products, money lending business and investment in financial instruments. In October 2018, the Remaining Group subscribed a convertible bond issued by China Healthwise for HK\$120.0 million and up to 30 June 2024, China Healthwise has redeemed in total HK\$47.7 million of the bond. As at 30 June 2024, the outstanding principal amount was HK\$72.3 million and the fair value of the Remaining Group’s investment in the Outstanding Bonds was approximately HK\$69.0 million (30 June 2023: HK\$63.2 million), representing approximately 7.9% (30 June 2023: 5.9%) of the Remaining Group’s total assets, and recorded a fair value gain on investment of approximately HK\$5.9 million and an interest income of approximately HK\$4.3 million during the financial year.

On 19 August 2024, the Remaining Group and China Healthwise entered into a subscription agreement (the “**Subscription Agreement**”) for subscribing the bonds issued by China Healthwise in the aggregate principal amount of HK\$72.3 million, of which HK\$16.8 million is the principal amount of the convertible bonds and HK\$55.5 million is the principal amount of the straight bonds. Completion of the Subscription Agreement is conditional upon the fulfilment of the conditions precedent. The convertible bonds shall bear interest at a rate of 6% per annum, the conversion price at which the bonds is to be converted into conversion share shall be HK\$0.088 per conversion share. Based on the conversion price of HK\$0.088 per conversion share, a maximum of 190,909,090 new shares may be allotted and issued by China Healthwise, which represents approximately 19.86% of the issued share capital as enlarged by the issue and allotment of the new shares. The straight bonds shall bear interest at a rate of 8% per annum. The maturity dates of the convertible bonds and the straight bonds shall be two years from their issue dates. The consideration for the subscription of the convertible bonds and the straight bonds under the Subscription Agreement will be set off against the outstanding principal amount of HK\$72.3 million under the Outstanding Bonds. On 8 October 2024, the Remaining Group and China Healthwise entered into a supplemental agreement to revise both the completion date and long stop date to on or before 30 November 2024 (or such later date as China Healthwise and the subscriber may agree). An extraordinary general meeting (the “**EGM**”) will be convened to approve the Subscription Agreement and the transactions contemplated thereunder. However, as additional time is required to prepare and finalise certain information to be included in the circular containing, among other things, further details of the Subscription Agreement and the transactions contemplated thereunder, it is expected that the despatch date of the circular will not be later than 8 November 2024. The Company will make further announcement in due course when the date of the EGM is determined.

The objective for the above investment is to better utilise the Remaining Group's available cash and seek higher interest income and potential capital gain in view of the uncertain global trading market.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Remaining Group maintained a healthy financial position throughout the year under review. The Remaining Group financed its operations and business development with internally generated resources, equity funding and banking facilities.

On 28 December 2023, the share consolidation of every twenty issued and unissued shares of HK\$0.10 each into one consolidated share of HK\$2.00 each became effective pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting of the Company.

On 6 March 2024, the Capital Reorganisation (comprising the Capital Reduction and the Share Sub-Division), which have the same meanings as those defined in the circular of the Company dated 6 December 2023 (the “**circular**”), became effective. The par value of each of issued consolidated shares was reduced from HK\$2.00 each to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$1.99 on each of the issued consolidated shares. Immediately upon the Capital Reduction becoming effective, every unissued consolidated share of HK\$2.00 each in the authorised share capital of the Company was sub-divided into 200 new shares of HK\$0.01 each. The credit arising from the Capital Reduction was transferred to a distributable reserve account of the Company which may be utilised by the Company as the directors may deem fit and permitted in accordance with the memorandum and articles of association and all applicable laws, including, without limitation, eliminating or setting off any accumulated losses from time to time.

On 24 May 2024, the Company issued 52,535,151 ordinary shares, on the basis of one rights share for every two shares held, to the shareholders of the Company at a subscription price of HK\$0.35 per share through a rights issue. The aggregate nominal value of the rights shares was HK\$525,351.51. The market price of the shares on 8 April 2024, being the last trading day of the shares on the Stock Exchange before the release of the rights issue announcement, was HK\$0.35 per share. The total net proceeds was approximately HK\$17.4 million, representing a net price (i.e. subscription price less expenses incurred in the rights issue) of approximately HK\$0.33 per rights share. The net proceeds of the rights issue amounted to approximately HK\$13.9 million would be used to develop the fertilizers trading business and approximately HK\$3.5 million would be used as general working capital of the Remaining Group.

Subsequent to FY2023/24 on 12 August 2024, the Company issued 21,000,000 ordinary shares to not less than six independent placees at the placing price of HK\$0.233 per share. The aggregate nominal value of the placing shares was HK\$210,000.00. The market price of the shares on 19 July 2024, being the date of the placing agreement, was HK\$0.241 per share. The net proceeds of the placing was approximately of HK\$4.6 million, representing a net issue

price (i.e. placing price less expenses incurred in the placing) of approximately HK\$0.22 per placing share. The net proceeds of the placing amounted to approximately HK\$4.6 million would be used as general working capital of the Remaining Group.

At 30 June 2024, the Remaining Group had floating interest-bearing borrowings of approximately HK\$0.1 million (30 June 2023: HK\$10.5 million) of which all borrowings were denominated in Hong Kong dollars and all would mature within one year. All of the Remaining Group's bank facilities at 30 June 2024 were secured by corporate guarantees provided by the Company and certain subsidiaries of the Company, charge over investments of a subsidiary in carrying amount of approximately HK\$3.5 million (30 June 2023: HK\$0.1 million) and pledged bank deposits of certain subsidiaries in carrying amount of approximately HK\$2.0 million (30 June 2023: HK\$12.2 million).

A significant portion of sales, purchases, services income and bank and cash equivalents of the Remaining Group were either denominated in Renminbi, Hong Kong dollars or US dollars. The Group will closely monitor the foreign currency exposure and may consider arranging for hedging facilities when it is necessary. At 30 June 2024, the Remaining Group did not have any significant hedging instrument outstanding.

At 30 June 2024, the Remaining Group's current assets amounted to approximately HK\$514.4 million (30 June 2023: HK\$591.8 million) and the Remaining Group's current liabilities amounted to approximately HK\$65.8 million (30 June 2023: HK\$85.4 million). The Remaining Group's current ratio maintained at a level of approximately 7.8 at 30 June 2024 (30 June 2023: 6.9). At 30 June 2024, the Remaining Group had total assets of approximately HK\$869.6 million (30 June 2023: HK\$1,073.5 million) and total liabilities of approximately HK\$82.7 million (30 June 2023: HK\$103.4 million) with a gearing ratio of approximately 0.02% (30 June 2023: 1.0%). The gearing ratio was expressed as a ratio of total bank borrowings to total assets. The Remaining Group's gearing ratio remained at a fairly low level as at 30 June 2024 and 2023.

NUMBER AND REMUNERATION OF EMPLOYEES

At 30 June 2024, the Remaining Group had 259 employees for its operations in China, Hong Kong and Macau. The Remaining Group's employees are remunerated in accordance with their work performance and experience. The Remaining Group also participates in a retirement benefit scheme for its staff in the PRC and a defined Mandatory Provident Fund Scheme for its staff in Hong Kong. For the year ended 30 June 2024, no forfeited contributions by the Remaining Group on behalf of employees who leave the scheme prior to vesting fully in such contributions was used by the Remaining Group to reduce the existing level of contributions. The Remaining Group provides various trainings to employees including but not limited to induction training, on-the-job training provided by department heads and sponsorship program for position-related self-education and professional qualification.

SHARE OPTION SCHEME

The Remaining Group has adopted a share option scheme on 21 December 2018 of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. During the year ended 30 June 2024, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the share option scheme at 30 June 2024 (30 June 2023: Nil). The number of options available for grant under the share option scheme mandate at 1 July 2023 (restated), 30 June 2024 and the date of this report was 9,363,480, which represented approximately 5.2% of the issued shares of the Company at the date of this report.

CONTINGENT LIABILITIES

At 30 June 2024, the Remaining Group did not have any significant contingent liabilities (2023: HK\$Nil).

(d) For the year ended 30 June 2023**FINANCIAL PERFORMANCE**

During FY2022/23, the Remaining Group generated total revenue of approximately HK\$440.6 million as compared to approximately HK\$501.2 million for financial year ended 30 June 2022 (“FY2021/22”), representing a fall of approximately 12.1%. The decline in revenues was mainly attributable to the decrease in the revenues from the traditional trading businesses, including the FMCG Trading Business and the Agri-Products Trading Business, as well as the decrease in the revenue contribution from the Upstream Farming Business. The adverse impact from the pandemic was particularly severe in the first half of FY2022/23, during which the Chinese government implemented stringent and widespread lockdown measures that caused significant supply chain disruptions and low market demand. Following the reopening of the economy in the second half of FY2022/23, the operating environment remained challenging, the customers still took cautious stance to place orders amid a weak economy backdrop. On the other hand, the purchase costs for certain import products have been surging significantly, which further put the Remaining Group’s imported products at a disadvantage, especially considering the increasingly fierce competition from domestic products. In the meantime, the Remaining Group gradually normalized and set up post-pandemic pricing strategies by increasing selling prices and reducing discounts that had been offered to our loyal customers during the pandemic, which also reduced sales volume of the Remaining Group’s traditional trading businesses. On the other hand, the revenue of the securities brokerage and margin financing business also declined primarily due to the weak capital market activities, in particular for the Hong Kong market.

Gross profit margin increased from approximately 4.0% to approximately 7.1% compared to FY2021/22. The increase was mainly attributable to the less amortisation for other intangible assets recognised through cost of sales during FY2022/23. During the last financial year, a substantial amount of other intangible assets, primarily representing rights for distributions whose amortisation were included in cost of sales and selling and distribution expenses, were impaired. As a result, the carrying amount of such other intangible assets and

thus its amortisation were lower than those of the last financial year. Additionally, the Remaining Group increased selling prices and reduced certain amount of discounts in order to cope with the increase in the purchase costs and normalize the post-pandemic pricing strategies. Although the business volume was unavoidably abated by this move, the gross profit margin recorded an improvement during the financial year under review.

Changes in fair value due to biological transformation increased from approximately HK\$31.4 million to approximately HK\$41.9 million. The increase was mainly attributable to the increase in the plantation costs and overheads from larger scale of operations.

Other gains and income remained stable at approximately HK\$10.1 million compared to approximately HK\$10.2 million in FY2021/22. The gains and income mainly represented an interest income of approximately HK\$4.3 million derived from the investment in a convertible bond issued by China Healthwise Holdings Limited (“**China Healthwise**”), an interest income from bank deposits of approximately HK\$2.6 million, government grant of approximately HK\$1.4 million and other miscellaneous income of approximately HK\$1.8 million.

Selling and distribution expenses decreased by approximately 27.9% from approximately HK\$42.3 million to approximately HK\$30.5 million compared to FY2021/22, representing approximately 6.9% of total revenue (FY2021/22: 8.4%). The decrease in the selling and distribution expenses as a percentage of turnover was mainly attributable to the less amortisation for other intangible assets recognised through selling and distribution expenses during the financial year under review. The commencement of the operations of the new food processing centre in Dongguan also contributed to the decrease in selling and distribution expenses, which effectively lowered the transportation costs thanks to its proximity to various destinations. Additionally, the decrease in sales commission, promotion, and handling and distribution expenses for the traditional trading business, and using more outsourced logistics instead of our own transportation team continuously decreased selling and distribution expenses. Selling and distribution expenses included, among others, promotion campaigns for the development of sales and marketing channels, outlays on brand building, freight and transportation, commission as well as sales force, handling and distribution expenses all together spent in support of the Remaining Group’s sales activities.

Administrative expenses decreased by approximately 0.2% from approximately HK\$64.4 million to approximately HK\$64.3 million compared to FY2021/22. The slight decrease was a combination of the Remaining Group’s various cost saving initiatives, the trimming down of some unprofitable operations such as the securities brokerage and margin financing business and the termination of the tourist retailing business and offset by the surging costs such as fixed assets depreciation, energy and office consumables caused by inflation.

Impairment losses on trade receivables and deposits and other receivables were approximately HK\$2.8 million (FY2021/22: HK\$3.3 million) as the Remaining Group has continued to take a cautious approach on the receivables that exposed to a higher risk of collectability given these tumbling and uncertain economic conditions.

Other operating expenses decreased from approximately HK\$97.6 million to approximately HK\$27.2 million. The expenses mainly represented a fair value loss on the investments in shares in Global Mastermind Holdings Limited (“**Global Mastermind**”), shares in First Bullion, and a convertible bond issued by China Healthwise of approximately HK\$7.4 million, approximately HK\$9.5 million and approximately HK\$9.2 million respectively, and exchange losses of approximately HK\$1.1 million.

Finance costs were kept at a minimal level during the financial year.

Net loss for the year ended 30 June 2023 was approximately HK\$125.6 million (FY2021/22: HK\$209.2 million). The decrease in the net loss was mainly attributable to a combination of approximately 3.1% increase in gross profit margin, approximately 27.9% decrease in selling and distribution expenses, approximately HK\$70.4 million decrease in other operating expenses, and partly offset by approximately 12.1% decrease in turnover and approximately HK\$10.5 million increase in changes in fair value due to biological transformation.

SIGNIFICANT INVESTMENT HELD AND ITS PERFORMANCE

At 30 June 2023, the Remaining Group held a convertible bond issued by China Healthwise.

China Healthwise is a listed company of the main board of the Stock Exchange and together with its subsidiaries are principally engaged in sale of Chinese health products, money lending business and investment in financial instruments. In October 2018, the Remaining Group subscribed a convertible bond issued by China Healthwise for HK\$120.0 million and up to 30 June 2023, China Healthwise has redeemed in total HK\$47.7 million of the bond. As at 30 June 2023, the outstanding principal amount was HK\$72.3 million and the fair value of the Remaining Group’s investment in the convertible bond issued by China Healthwise was approximately HK\$63.2 million (30 June 2022: HK\$72.4 million), representing approximately 5.9% (30 June 2022: 5.9%) of the Remaining Group’s total assets, and recorded a fair value loss on investment of approximately HK\$9.2 million and an interest income of approximately HK\$4.3 million during the financial year.

On 17 August 2022, the Remaining Group and China Healthwise entered into the second supplemental agreement (the “**Second Supplemental Agreement**”) for amending the subscription agreement to amend and extend the maturity date of the convertible bond from 10 October 2022 to 10 October 2024 and reduce the conversion price from HK\$1.00 per conversion share to HK\$0.38 per conversion share. In the event of the exercise of the conversion rights based on the proposed amendments, a maximum of 190,263,157 new shares will be allotted and issued by China Healthwise, which represents approximately 19.80% of the issued share capital as enlarged by the issue and allotment of the new shares. An extraordinary general meeting was held on 7 October 2022 and shareholders’ approval was obtained for the Second Supplemental Agreement.

The objective for the above investment is to better utilise the Remaining Group’s available cash and seek higher interest income and potential capital gain in view of the uncertain global trading market.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Remaining Group maintained a strong financial position throughout the year 2022/23. The Remaining Group financed its operations and business development with internally generated resources and banking facilities.

At 30 June 2023, the Remaining Group had interest-bearing borrowings of approximately HK\$10.5 million (30 June 2022: HK\$12.6 million) of which all borrowings were denominated in Hong Kong dollars and all would mature within one year. All of the Remaining Group's bank borrowings at 30 June 2023 were floating-interest bearing and secured by corporate guarantees provided by the Company and certain subsidiaries of the Company, charge over investments of a subsidiary in carrying amount of approximately HK\$0.1 million (30 June 2022: HK\$0.1 million) and pledged bank deposits of certain subsidiaries in carrying amount of approximately HK\$12.2 million (30 June 2022: HK\$16.2 million).

A significant portion of sales, purchases, services income and bank and cash equivalents of the Remaining Group were either denominated in Renminbi, Hong Kong dollars or US dollars. The Remaining Group will closely monitor the foreign currency exposure and may consider arranging for hedging facilities when it is necessary. At 30 June 2023, the Remaining Group did not have any significant hedging instrument outstanding.

At 30 June 2023, the Remaining Group's current assets amounted to approximately HK\$591.8 million (30 June 2022: HK\$767.7 million) and the Remaining Group's current liabilities amounted to approximately HK\$85.4 million (30 June 2022: HK\$95.1 million). The Remaining Group's current ratio maintained at a level of approximately 6.9 at 30 June 2023 (30 June 2022: 8.1). At 30 June 2023, the Remaining Group had total assets of approximately HK\$1,073.5 million (30 June 2022: HK\$1,224.6 million) and total liabilities of approximately HK\$103.4 million (30 June 2022: HK\$116.2 million) with a gearing ratio of approximately 1.0% (30 June 2022: 1.0%). The gearing ratio was expressed as a ratio of total bank borrowings to total assets. The Remaining Group's gearing ratio remained at a fairly low level as at 30 June 2023 and 2022.

NUMBER AND REMUNERATION OF EMPLOYEES

At 30 June 2023, the Remaining Group had 280 employees for its operations in China, Hong Kong and Macau. The Remaining Group's employees are remunerated in accordance with their work performance and experience. The Remaining Group also participates in a retirement benefit scheme for its staff in the PRC and a defined Mandatory Provident Fund Scheme for its staff in Hong Kong. For the year ended 30 June 2023, no forfeited contributions by the Remaining Group on behalf of employees who leave the scheme prior to vesting fully in such contributions was used by the Remaining Group to reduce the existing level of contributions. The Remaining Group provides various trainings to employees including but not limited to induction training, on-the-job training provided by department heads and sponsorship program for position-related self-education and professional qualification.

SHARE OPTION SCHEME

The Remaining Group has adopted a share option scheme on 21 December 2018 of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. During the year ended 30 June 2023, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the share option scheme at 30 June 2023 (30 June 2022: Nil). The number of options available for grant under the share option scheme mandate at 1 July 2022, 30 June 2023 and the date of this report was 187,269,618, which represented approximately 8.9% of the issued shares of the Company at the date of this report.

CONTINGENT LIABILITIES

At 30 June 2023, the Remaining Group did not have any significant contingent liabilities (2022: HK\$Nil).

The following is the full text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Valplus Consulting Limited, an independent valuer, in connection with their valuation as at 31 May 2026 of the property interests held by the Group in the People's Republic of China.



Valplus Consulting Limited
Unit 917, 9/F, Houston Centre
63 Mody Road Tsim Sha Tsui East
Hong Kong

31 August 2026

The Board of Directors,
Heng Tai Consumables Group Limited,
13th Floor,
Guangdong Finance Building,
88 Connaught Road West,
Sheung Wan, Hong Kong

Dear Sirs/Madams,

Re: Valuation of Industrial Buildings located at 中華人民共和國上海市閔行區紀翟路1199弄1-5號 (unofficially translated as “**No. 1-5, Lane 1199, Jidi Road, Minhang District, Shanghai, the People's Republic of China**”)

In accordance with the instructions from Heng Tai Consumables Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for us to value the captioned property interests (the “**Properties**”) held by the Group located in the People's Republic of China (“**China**” or the “**PRC**”), we confirm that we have made relevant enquires and obtained such further information as we consider necessary for providing you with our opinion on market value of such property interests in existing state as at 31 May 2026 (the “**Valuation Date**”).

This letter, forming part of our valuation report, identifies the property interests being valued, explains the basis and methodology of our valuation, and lists out the assumptions and title investigation, which we have made in the course of our valuation, as well as the limiting conditions.

1. PURPOSE OF VALUATION

This report is being solely prepared for the directors and management of the Company (together, the “**Management**”) for reference and incorporation into a public circular of the Company in connection with a proposed very substantial Disposal (the “**Proposed VSD**”) by the Group under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Main Board of The Stock Exchange of Hong Kong Limited (“**SEHK**”).

The Proposed VSD, if materialized, would be a commercial decision made by the transacting parties and the corresponding transaction price would be the result of negotiations between the transacting parties. The directors and management of the Company should be solely responsible for determining the consideration of the Proposed Disposal, in which Valplus Consulting Limited (“**Valplus**”) is not involved in the negotiation and has no comment on the final agreed consideration. Furthermore, Valplus assumes no responsibility whatsoever to any person other than the directors and management of the Company in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

2. BASIS AND PREMISE OF VALUE

Our valuation represents our opinion on the market value which we would define to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”.

Market value is understood as the value of a property estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the Properties, we have complied with all the requirements set out in the Chapter 5 and Practice Note 12 of the Listing Rules issued by the SEHK, the International Valuation Standards published by the International Valuation Standards Council and the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors.

3. SOURCE OF INFORMATION

In undertaking our valuation of the Properties, we have relied on advice, documents, information and materials provided by the Management. The major documents and information include but not limited to (i) title certificates; and (ii) legal opinions dated 28 August 2026 (the “**Legal Opinions**”) provided by the Group’s PRC legal adviser, namely 上海紫贏律師事務所 (unofficially translated as “**Shanghai Ziyang Law Firm**”), all of which are set out in the notes of this valuation report.

4. VALUATION METHODOLOGIES

In valuing the Properties, we have adopted the cost approach. The market approach was not adopted because the buildings are not standardised strata-titled industrial units commonly transacted independently in the open market. They vary in scale, configuration and number of storeys and collectively provide the operational utility of an integrated logistics centre.

Available industrial property transactions generally reflect the combined value of the land-use rights and buildings and are affected by factors including location, title, site area, development intensity, building configuration, condition, occupancy and transferability. In addition, the Properties form part of a shared industrial land parcel subject to a co-certificated and undivided registration arrangement, and the land-use area attributable to the Properties has not been separately delineated and officially registered. We did not identify any recent open-market transactions involving properties sufficiently comparable to the Properties in terms of similar nature, scale, age, configuration and title status from which reliable comparison adjustments could be derived.

Accordingly, the cost approach was considered more appropriate. The cost approach considers the cost to reproduce or replace the buildings and structures in new condition based on prevailing construction costs for similar assets, with adjustments made for physical deterioration and any functional or economic obsolescence. The cost approach generally furnishes the most reliable indication of value for assets without a known market of comparable sales.

5. TITLE INVESTIGATION

We have not caused land searches of the subject property interests regarding the title of the Properties but have been provided by the Group with copies of certain extracts on title documents and other documents in relation to the subject property interests. However, we have not searched and examined the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us, and thus have assumed that the copies of the documents obtained are consistent with their originals.

In the course of our valuation, we have relied on the Legal Opinions regarding the title to and the interests in the Properties. No responsibility is assumed for legal matters in nature and no investigation has been made to the title of or any liabilities against the property valued.

6. SITE INSPECTION

The site inspection of the Properties was conducted on 13 July 2026 by our Mr. Alfred Wong, with over 4 years of relevant experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Rim. No structural survey has been made, and it was not possible to inspect the woodwork and other parts of the structures which were covered, unexposed or inaccessible. We are therefore unable to report whether the property interest is free from rot, infestation or any other defects. No test was carried out on any of the building services.

7. VALUATION ASSUMPTIONS

- Our valuation has been made on the assumption that the owner sells the property interests on the open market in their existing physical state, subject to the legal title, land registration and transfer restrictions disclosed elsewhere in this report, and without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the values of the property interests. No forced sale situation in any manner is assumed in our valuation; and
- No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values;

8. LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by and have accepted advice from the Company on such matters as planning approvals, statutory notices, easements, tenures, occupancy, lettings, site, floor areas, rooms, facilities, identifications and all other relevant materials regarding the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material fact has been omitted from the information provided. All documents have been used as reference only. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas of the property interests but have assumed that the areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached valuation report are based on information contained in the documents provided to us for reference only and therefore are only approximations.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed unless otherwise stated, defined and considered in the valuation report.

9. REMARKS

The Company has reviewed and agreed on the report and confirmed the factual content of the report.

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (“RMB”).

We hereby confirm that we have neither present nor prospective interests in the Properties, the Group or the value reported herein.

Our Valuation Report is enclosed herewith.

Respectfully submitted,

For and on behalf of

VALPLUS CONSULTING LIMITED

Damon S.T. Wan, *CFA, FRM, MRICS*
Founding Partner

Analysed and reported by:	Alfred Y.M. Wong , <i>CPA (Aust.)</i> <i>Manager</i>	Jason Soong <i>Assistant Manager</i>
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Mr. Damon S.T. Wan is a CFA Charterholder, a Certified FRM and a member of Royal Institution of Chartered Surveyors. Mr. Wan has been working in the professional valuation field since 2008. He is experienced and specialized in performing properties, financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger & acquisition and public listing.

Mr. Alfred Y.M. Wong is a member of CPA Australia and has been working in the corporate finance industry since 2015. He has experience in corporate finance, corporate credit risk, property valuation and business valuation.

Mr. Jason Soong had previously worked in the accounting and consulting field following his Mathematical Sciences academic discipline. He possesses experience in business valuation, data analysis and project management.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2026
A group of buildings located at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC	The Properties comprise 5 multi-storey buildings completed in 2005. The gross floor area of the Properties is approximately 21,820.58 sq.m. The land use right of the Properties was granted for a term expiring on 3 February 2054 for industrial use.	The Properties were occupied by the Company for industrial use as at the Valuation Date.	No commercial value (Refer to notes 4 and 5)

Notes:

- Pursuant to Shanghai Real Estate Sale and Purchase Contract 《上海市房地產買賣合同》 dated in 2007 (the “**Agreement**”) entered into between 上海樽軒實業有限公司 (unofficially translated in “Shanghai Zunxuan Industrial Co., Ltd.” and hereinafter, the “**Party A**”) and 上海士豐實業有限公司 (“Shanghai Sypher Ltd.” and hereinafter, the “**Party B**”), a wholly owned subsidiary of the Company, the Properties, with a total gross floor area of approximately 21,820.58 sq.m., together with the associated land use rights pertaining to the area occupied by such multi-storey buildings of the Properties were transferred from the Party A to the Party B.
- Pursuant to Shanghai Certificate of Real Estate Ownership 《滬房地閔字(2007)第018278號》(Document No. Hu Fang Di Min Zi (2007) No. 018278), the ownership of the Properties, comprising 5 buildings with a total gross floor area of approximately 21,820.58 sq.m. erected on a parcel of land with a total site area of approximately 151,499 sq.m. is vested in Party B for a term expiring on 3 February 2054 for industrial use. The land-use area attributable to the Properties has not been separately delineated and officially registered. The particulars of the 5 multi-storey buildings of the Properties are set forth below:

Building no.	Usage	No. of storeys	Gross floor area (sq.m.)
1	Industrial	3	13,530.87
2	Industrial	1	66.24
3	Industrial	6	4,214.55
4	Industrial	1	66.25
5	Industrial	6	3,942.67

* Figures are subject to rounding.

- Pursuant to the Management, the Properties were held by the Group for owner occupation in the PRC.

- 4) Pursuant to the Legal Opinions, the underlying land of the Properties is subject to a co-certificated and undivided registration arrangement (“共證未分證”) involving Party A and Party B. Although Party B remains the registered and lawful owner of the buildings comprised in the Properties, the corresponding land-use area has not been separately delineated and registered under an independent title. The prevailing Shanghai industrial-land policies generally do not permit the partition and separate registration of industrial land titles, although the actual treatment of individual historical-legacy cases remains subject to the determination of the relevant governmental and registration authorities. As a result, there are material legal and practical uncertainties as to whether a transfer of the Properties could be completed and registered. Any proposed disposal may require the cooperation of Party A, satisfaction of applicable approval requirements and acceptance of the registration application by the relevant authorities. Having regard to these uncertainties and the absence of an independently registered land-use title corresponding to the Properties, we have ascribed no commercial value to the Properties in the valuation.
- 5) For illustrative purposes, the market value of the Properties referred to in note 4 as at the Valuation Date would be approximately RMB51,969,000 on the assumption that they are legally and freely transferable in the market in their existing physical condition. The computation is set out below:

Item	Basis	
Adopted reproduction unit cost (RMB/sq.m.)	Based on prevailing construction-cost benchmarks for similar industrial buildings and structures	5,240 (Refer to Note 6)
Aggregate gross floor area (sq. m.)	Total gross floor area of the five buildings	21,820.58
Gross reproduction cost (RMB)	RMB5,240 per sq.m. × 21,820.58 sq.m.	114,340,000
Less: Depreciation and obsolescence (RMB)	Adopted depreciation rate of approximately 54.5%, determined with reference to both the elapsed proportion of the buildings' accounting useful life and their estimated physical and economic remaining life	62,371,000
Illustrative appraised value	RMB114,340,000 × (1–54.5%)	51,969,000

* *Figures are subject to rounding.*

Note:

- a) The depreciation and obsolescence rate applied to the gross reproduction cost was determined by considering both (i) the elapsed portion of the buildings' accounting useful life, resulting in a depreciation indication of approximately 40.9%; and (ii) the elapsed portion of the buildings' estimated physical/economic life, resulting in a depreciation indication of approximately 68.2%. Equal weighting was applied to the two indications, resulting in an adopted depreciation and obsolescence rate of approximately 54.5%.
- 6) We have adopted the costs to reproduce the buildings and structures of the Properties in new condition by making reference to the prevailing construction cost for similar buildings and structures in the locality. Based on public market research, including the published construction-cost benchmarks issued by Arcadis Hong Kong Limited (“Arcadis”) and Rider Levett Bucknall (“RLB”) for industrial buildings in Shanghai during 2025, the unit construction cost for relevant industrial building categories ranged from approximately RMB2,900 per sq.m. to RMB7,800 per sq.m.. The relevant categories included owner-operated, low-rise industrial buildings, end-user industrial buildings and logistics centres. The derivation of the adopted unit construction cost is set out below.

In determining the reproduction unit cost, we made reference to the published construction cost benchmarks for end-user, low-rise industrial buildings in Shanghai issued by Arcadis and RLB. Based on the benchmark data, we adopted a base construction cost of RMB4,000 per sq.m.

The published construction cost benchmarks are stated on a construction floor area (“CFA”) basis, while the Properties are measured on a gross floor area (“GFA”) basis. Accordingly, a conversion factor of 1.15, being the lower end of the CFA-to-GFA range referenced from Arcadis, was adopted. The benchmark construction cost of RMB4,000 per sq.m. was therefore adjusted to RMB4,600 per sq.m. ($\text{RMB4,000} \times 1.15$).

In addition to the benchmark construction cost, we also took into account ancillary costs which would ordinarily be incurred in reproducing the buildings and structures but are not fully reflected in the published benchmark construction costs. An aggregate allowance of 14.0% was adopted, comprising the following:

Cost item	Adopted rate	Basis and source
Infrastructure and external works construction cost	5%	Adopted to allow for ancillary infrastructure and external works associated with the reproduction of the Properties, including roads, water supply, drainage, electricity, communications and other supporting facilities. Such costs are expressly recognised as a component of construction cost under the <i>Technical Guidelines for Comprehensive Value Assessment of Industrial Land in Shanghai (Trial)</i> (《上海市產業用地綜合價值評估技術指引(試行)》) (“ Shanghai Technical Guidelines ”). In determining the rate, reference was also made to published PRC industrial-property valuation practice in which a 5% facilities supporting construction fee was adopted with reference to applicable government charging standards.
Finance cost	3%	Adopted to reflect financing costs during the assumed construction period. The Shanghai Technical Guidelines provides that investment interest should be determined with reference to the one-year bank lending rate, with the interest-bearing period determined having regard to building scale. The prevailing one-year Loan Prime Rate as at the Valuation Date was approximately 3.0%.
Developer’s profit	5%	Adopted with reference to the Shanghai Technical Guidelines, which states that the development profit rate for industrial projects is generally 5% to 8%. Having regard to the nature of the Properties, the lower end of the range, being 5.0%, was adopted.
Basic contingency	1%	Adopted to provide for unforeseen costs which may arise during the reproduction of the Properties.

An aggregate allowance of 14.0% for ancillary construction-related costs was then applied to the adjusted construction cost of RMB4,600 per sq.m., resulting a rounded average unit construction cost of approximately RMB5,240 per sq.m. was adopted, which falls within the above range and is thus considered fair and reasonable.

Notes:

- a) Arcadis is a global design, engineering, and consultancy firm that specializes in sustainable infrastructure, buildings, and environmental challenges with operation in over 30 countries to provide services across the entire lifecycle of natural and built assets.
- b) RLB is a global independent construction, property, and management consultancy specializing in cost management, quantity surveying, and project management in more than 120 offices worldwide.

- 7) The Properties are situated in Minhang District, Shanghai. The subject area is mainly surrounded by industrial buildings. Shanghai Hongqiao International Airport is approximately 10 to 15 minutes' drive from the Properties. Taxis and buses are also accessible to the Properties.
- 8) We have been provided with the Legal Opinions, which contain, inter alia, the following information that has been translated from Chinese. In the event of any inconsistency, the Chinese version shall prevail:
- a) The Properties comprising the 5 multi-storey buildings with a total gross floor area of approximately 21,820.58 sq.m. have been registered under Shanghai Certificate of Real Estate Ownership 《滬房地閔字(2007)第018278號》;
 - b) Party B is the holder of Shanghai Certificate of Real Estate Ownership 《滬房地閔字(2007)第018278號》 comprising (i) the 5 multi-storey buildings with a total gross floor area of approximately 21,820.58 sq.m.; and (ii) the area of the entire common land parcel of approximately 151,499 sq.m.. The recorded land area does not represent a separately delineated and registered land-use area exclusively attributable to Party B;
 - c) Save for the land-registration defects and associated transfer restrictions disclosed in note 4 above, pursuant to the Legal Opinions, the Properties are not subject to any material seizure orders or other material legal encumbrances which would materially affect the registered ownership of the Properties;
 - d) Pursuant to the Agreement, the Properties form part of a shared industrial land parcel under a co-certificated and undivided registration status, and the land use area attributable to the Properties has not been separately delineated and officially registered;
 - e) Under prevailing Shanghai industrial-land policies, the underlying industrial land is generally not eligible for partition and separate title registration. Accordingly, the absence of a separately delineated and registered land-use area attributable to the Properties gives rise to material legal and practical uncertainties and obstacles in completing and registering any ownership transfer or disposal of the Properties. Any proposed disposal may require the cooperation of Party A, satisfaction of applicable approval requirements and acceptance of the registration application by the relevant governmental and registration authorities; and
 - f) The following legal documents were obtained

Shanghai Real Estate Sale and Purchase Contract	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Agreement entered into between Party A and Party B concerning their respective use of the common land parcel	Yes
Legal Opinions issued by Shanghai Ziying Law Firm	Yes

The following is the full text of a valuation report prepared for the purpose of incorporation in this circular received from Valplus Consulting Limited, an independent valuer, in connection with its opinion of the market rent as at 31 May 2026 of the property interest to be leased by the Group in the People's Republic of China.



Valplus Consulting Limited
Unit 917, 9/F, Houston Centre
63 Mody Road Tsim Sha Tsui East
Hong Kong

31 August 2026

The Board of Directors,
Heng Tai Consumables Group Limited,
13th Floor,
Guangdong Finance Building,
88 Connaught Road West,
Sheung Wan, Hong Kong

Dear Sirs/Madams,

Re : Market rent of Industrial Buildings located at 中華人民共和國上海市閔行區紀翟路1199弄1-5號 (unofficially translated as “**No. 1-5, Lane 1199, Jidi Road, Minhang District, Shanghai, the People's Republic of China**”)

In accordance with the instructions from Heng Tai Consumables Group Limited (“**Company**” and together with its subsidiaries, “**Group**”) for us to value market rent of captioned properties interests (the “**Properties**”) located in Shanghai, the People's Republic of China (“**China**” or “**PRC**”), we confirm that we have made relevant enquires and obtained such further information as we consider necessary for providing you with our opinion on market rent of such properties interests as at 31 May 2026 (“**Valuation Date**”).

This letter, forming part of our valuation report, identifies the property interests being valued, explains the basis and methodology of our valuation, and lists out the assumptions and title investigation, which we have made in the course of our valuation, as well as the limiting conditions.

1. PURPOSE OF VALUATION

This report is being solely prepared for the directors and management of the Company (together, “**Management**”) for reference and incorporation into a public circular of the Company in connection with a proposed major transaction (“**Proposed Major Transaction**”) relating to lease agreement of the Properties to be entered into by the Group under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Main Board of The Stock Exchange of Hong Kong Limited (“**SEHK**”).

The Proposed Major Transaction, if materialized, would be a commercial decision made by the transacting parties and the corresponding transaction price would be the result of negotiations between the transacting parties. The directors and management of the Company should be solely responsible for determining the consideration of the Proposed Major Transaction, in which Valplus Consulting Limited (“**Valplus**”) is not involved in the negotiation and has no comment on the final agreed consideration. Furthermore, Valplus assumes no responsibility whatsoever to any person other than the Management in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

2. BASIS AND PREMISE OF VALUE

Our valuation of market rent is defined to mean “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuation has been prepared in accordance with the International Valuation Standards published by the International Valuation Standards Council and the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors.

3. VALUATION METHODOLOGIES

We have conducted this valuation based on market approach by making reference to comparable rental evidence or asking rents of similar industrial properties as available in the relevant market.

4. TITLE INVESTIGATION

We have not caused land searches of the subject property interests regarding the title of the Properties but have been provided by the Group with copies of certain extracts on title documents, leaseback agreements and other documents in relation to the subject property interests. However, we have not searched and examined the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us, and thus have assumed that the copies of the documents obtained are consistent with their originals.

No responsibility is assumed for legal matters, and no independent investigation has been made into the title to or liabilities affecting the Properties. In preparing the market-rental valuation, we have relied on the legal opinions dated 28 August 2026 (the “**Legal Opinions**”) provided by the Group’s PRC legal adviser, namely 上海紫贏律師事務所 (unofficially translated as “**Shanghai Ziying Law Firm**”).

5. VALUATION ASSUMPTIONS

- In valuing the market rent, we have assumed that 上海士豐實業有限公司 (“**Shanghai Sypher Ltd.**” and hereinafter, the “**Party B**”), a wholly owned subsidiary of the Company, is legally entitled to continue to occupy, use and lease the Properties for the remainder of the unexpired land-use term, subject to the land-registration matters disclosed in Appendix V;
- We have assumed that all land premiums, utility charges and other amounts presently due in connection with the existing occupation and use of the Properties have been fully paid, except for any additional land premium or other payment that may become payable in connection with a future transfer, partition or registration of the Properties;
- Our valuation has been made on the assumption that the lessor leases the property interests on the open market in their existing physical state, without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the market rent of the property interests;
- No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests or for any expenses or taxation which may be incurred in effecting a lease. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect its market rent;
- All consents, approvals and licenses from relevant government authorities for the property interests have been obtained, remain valid and are capable of renewal, where applicable, without any onerous conditions or undue time delay which might affect their market rents. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers; and

- All applicable zoning, land-use and building-use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interests and improvements are within the boundaries of the property interests described and that no encroachment or trespass exists, unless noted in the valuation report.

6. LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by and have accepted advice from the Company on such matters as planning approvals, statutory notices, easements, tenures, occupancy, lettings, site floor areas, rooms, facilities, identifications and all other relevant materials regarding the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material fact has been omitted from the information provided. All documents have been used as reference only. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have carried out an on-site inspection of the Properties on 13 July 2026, and have inspected the exterior and, where possible, the interior of the property interests. In the course of our site inspection, we did not note any serious defects of the property interests. However, no structural survey has been made, and it was not possible to inspect the woodwork and other parts of the structures which were covered, unexposed or inaccessible. We are therefore unable to report whether the property interests are free from rot, infestation or any other defects. No test was carried out on any of the services.

We have not carried out detailed measurement to verify the correctness of the areas of the property interests but have assumed that the areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached valuation report are based on information contained in the documents provided to us for reference only and therefore are only approximations. If such information provided by the Company is different from the reality, we reserve our rights to amend our opinions.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed unless otherwise stated, defined and considered in the valuation report.

The Company has reviewed and agreed on the report and confirmed the factual content of the report.

We hereby confirm that we have neither present nor prospective interests in the Properties, the Group or the value reported herein.

Our Valuation Report is enclosed herewith.

Damon S.T. Wan, CFA, FRM, MRICS
Founding Partner

Analysed and reported by: **Alfred Y.M. Wong, CPA (Aust.)** **Jason Soong**
Manager *Assistant Manager*

Mr. Damon S.T. Wan is a CFA Charterholder, a Certified FRM and a member of Royal Institution of Chartered Surveyors. Mr. Wan has been working in the professional valuation field since 2008. He is experienced and specialized in performing properties, financial instruments, intangible assets and business valuations for the purposes of corporate advisory, merger & acquisition and public listing.

Mr. Alfred Y.M. Wong is a member of CPA Australia and has been working in the corporate finance industry since 2015. He has experience in corporate finance, corporate credit risk, property valuation and business valuation.

Mr. Jason Soong had previously worked in the accounting and consulting field following his Mathematical Sciences academic discipline. He possesses experience in business valuation, data analysis and project management.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Monthly market rent as at 31 May 2026
A group of buildings located at No. 1–5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC	The Properties comprise 5 multi-storey buildings completed in 2005. The gross floor area of the Properties is approximately 21,820.58 sq.m. The land use right of the Properties was granted for a term expiring on 3 February 2054 for industrial use.	The Properties were occupied by the Company for industrial use as at the Valuation Date.	RMB480,000

Notes:

- 1) Pursuant to Shanghai Certificate of Real Estate Ownership 《滬房地閔字(2007)第018278號》(Document No. Hu Fang Di Min Zi (2007) No. 018278), the ownership of the Properties, comprising 5 buildings with a total gross floor area of approximately 21,820.58 sq.m. erected on a parcel of land with a total site area of approximately 151,499 sq.m. is vested in Party B for a term expiring on 3 February 2054 for industrial use. The land-use area attributable to the Properties has not been separately delineated and officially registered. The particulars of the 5 multi-storey buildings of the Properties are set forth below:

Building no.	Usage	No. of storeys	Gross floor area (sq.m.)
1	Industrial	3	13,530.87
2	Industrial	1	66.24
3	Industrial	6	4,214.55
4	Industrial	1	66.25
5	Industrial	6	3,942.67

* *Figures are subject to rounding.*

- 2) The market comparables were selected from publicly available asking-rental listings of industrial properties situated in Minhang District, Shanghai. The selection criteria included: (i) industrial use; (ii) location within Minhang District or its principal industrial areas; and (iii) asking-rental evidence available around the Valuation Date.

Based on the above selection criteria and on a best-effort basis, we identified an exhaustive list of seven rental comparables with relevant attributes, as set out below:

Comparable	1	2	3	4	5	6	7
Location	Zhuanqiao, Minhang	Meilong, Minhang	Meilong, Minhang	Zhuanqiao, Minhang	Maqiao, Minhang	Xinzhuang Industrial Zone, Minhang	Xinzhuang Industrial Zone, Minhang
Usage	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial
Gross floor area (sq.m.)	13,000	30,000	10,000	10,000	26,800	7,500	15,000
Asking date	2nd quarter, 2026	2nd quarter, 2026	2nd quarter, 2026	2nd quarter, 2026	2nd quarter, 2026	2nd quarter, 2026	2nd quarter, 2026
Monthly asking rent (RMB)	585,000	900,000	300,000	390,000	884,400	270,000	450,000
Asking monthly unit rent (RMB/sq.m.)	45.0	30.0	30.0	39.0	33.0	36.0	30.0

* Figures are subject to rounding.

Appropriate adjustments were made to the asking unit rents to account for differences between the comparables and the Properties, including the following:

- i. **Asking rent** — a downward adjustment was applied to reflect the normal negotiation margin between asking rents and concluded market rents.
- ii. **Size** — an adjustment was made to reflect differences in gross floor area. Larger properties generally command lower unit rents due to the quantum effect, while smaller properties generally command higher unit rents.
- iii. **Land-registration and transferability risk** — an adjustment was made to reflect the additional uncertainty arising from the co-certificated and undivided land-registration arrangement and the absence of a separately delineated and registered land-use area attributable to the Properties.
- iv. **Location** — no adjustment was considered necessary as the comparables are located within Minhang District.

Details of the adopted adjustment factors are set out below:

Comparable	1	2	3	4	5	6	7
Asking rent	Downward	Downward	Downward	Downward	Downward	Downward	Downward
Size	Downward	Upward	Downward	Downward	Upward	Downward	Downward
Land-registration and transferability risk	Downward	Downward	Downward	Downward	Downward	Downward	Downward
Adjusted monthly unit rent (RMB/sq.m.)	27.5	23.5	17.5	22.7	24.7	20.0	19.0

* *Figures are subject to rounding.*

Based on the above analysis, the adjusted monthly unit rents ranged from approximately RMB19.0 per sq.m. per month to RMB27.5 per sq.m. per month. The average adjusted monthly unit rent, excluding Comparable 1 and Comparable 3 as outliers which are out of the positive one and negative one standard deviation from the comparable sample mean, was approximately RMB22.0 per sq.m..

The computation is set out below:

Item	Basis	
Adopted monthly unit rent (RMB/sq.m.)	Based on prevailing publicly available asking-rental listings for similar industrial buildings and structures	22.0
Aggregate gross floor area (sq. m.)	Total gross floor area of the five buildings	21,820.58
Monthly market rent (RMB)	RMB22.0 per sq.m. × 21,820.58 sq.m.	480,000

* *Figures are subject to rounding.*

- 3) We have been provided with the Legal Opinions, which contain, inter alia, the following information that has been translated from Chinese. In the event of any inconsistency, the Chinese version shall prevail:
- The Properties comprising the 5 multi-storey buildings with a total gross floor area of approximately 21,820.58 sq.m. have been registered under Shanghai Certificate of Real Estate Ownership 《滬房地閔字(2007)第018278號》;
 - Party B is the holder of Shanghai Certificate of Real Estate Ownership 《滬房地閔字(2007)第018278號》 comprising (i) the 5 multi-storey buildings with a total gross floor area of approximately 21,820.58 sq.m.; and (ii) the area of the entire common land parcel of approximately 151,499 sq.m.. The recorded land area does not represent a separately delineated and registered land-use area exclusively attributable to Party B;
 - Save for the land-registration defects and associated transfer restrictions disclosed in note 4 of Appendix V, nothing in the Legal Opinions indicates that the Properties are subject to any material seizure order or other material legal encumbrance that would materially affect Party B's registered ownership, occupation, use or leasing of the Properties;

- d) Pursuant to the Shanghai Real Estate Sale and Purchase Contract 《上海市房地產買賣合同》 dated in 2007 and the separate agreement entered into between 上海樽軒實業有限公司 (unofficially translated in “Shanghai Zunxuan Industrial Co., Ltd.” and hereinafter, the “**Party A**”) and Party B concerning their respective use of the common land parcel, the Properties form part of a shared industrial land parcel under a co-certificated and undivided registration status, and the land use area attributable to the Properties has not been separately delineated and officially registered; and
- e) Under prevailing Shanghai industrial-land policies, the underlying industrial land is generally not eligible for partition and separate title registration. Accordingly, the absence of a separately delineated and registered land-use area attributable to the Properties gives rise to material legal and practical uncertainties and obstacles in completing and registering any ownership transfer or disposal of the Properties. Any proposed disposal may require the cooperation of Party A, satisfaction of applicable approval requirements and acceptance of the registration application by the relevant governmental and registration authorities.

Notwithstanding the foregoing, the Legal Opinions identify such restrictions and uncertainties as relating principally to ownership transfer and separate registration and do not indicate that the existing co-certificated and undivided registration status prevents Party B from occupying, using or leasing the Properties.

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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and 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

(i) Directors and Chief Executive interests in the Shares

As at the Latest Practicable Date, the Directors and chief executives of the Company had the following interests and short positions in the Shares, underlying shares and debentures of the Company or any of its 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 and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange:

Name of Director/ Chief Executive	Capacity/ Nature of interest	Number of Shares held		Approximate percentage of interest as at the Latest Practicable Date % (Note 3)
		Long position	Short position	
Mr. Lam Kwok Hing (Mr. Lam)	Beneficial interest	30,606,157 (Note 1)	—	14.63%
Ms. Lee Choi Lin, Joecy ("Ms. Lee")	Interest of spouse	30,606,157 (Note 2)	—	14.63%
Mr. Chan Cheuk Yu, Stephen ("Mr. Chan")	Interest in a controlled corporation	15,053,003 (Note 3)	—	7.20%

Notes:

- Mr. Lam is an executive Director and the chairman of the Board.
- Ms. Lee is the spouse of Mr. Lam, by virtue of the SFO, Ms. Lee is deemed to be interested in said 30,606,157 shares.

3. Mr. Chan is an executive Director. The entire issued share capital of Glazy Target Limited (“Glazy Target”) is wholly and beneficially owned by Mr. Chan and Mr. Chan is deemed to be interested in the 15,053,003 Shares held by Glazy Target.

(ii) Substantial Shareholders

Save as disclosed below, as at the Latest Practicable Date, the persons (other than the Directors or the Chief Executive) who has an interest in the Share and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Substantial Shareholder	Capacity/ Nature of interest	Number of Shares held		Approximate percentage of interest as at the Latest Practicable Date % (Note 3)
		Long position	Short position	
Mr. Chow Yin Man	Beneficial owner	24,898,774	—	11.90%
WV Limited Partnership Fund	Beneficial owner	20,435,000 (Note 1)	—	9.76%
Glazy Target Limited	Beneficial owner	15,053,003 (Note 2)	—	7.20%

Notes:

1. WV Limited Partnership Fund is a limited partnership fund and is managed by Brilliant Global Trading Development Limited, a general partner. The general partner has the right of management for WV Limited Partnership Fund. Ms. Hui Ka Yung is the sole shareholder of Brilliant Global Trading Development Limited.
2. The entire issued share capital of Glazy Target Limited is wholly and beneficially owned by Mr. Chan.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates had an interest in a business, which competes or may compete with the businesses of the Company and any other conflicts of interest which any such person has or may have with the Company which would be required to be disclosed under Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSETS

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of or leased to any member of the Group since 30 June 2025, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

6. DIRECTORS' INTERESTS IN CONTRACTS/ARRANGEMENTS

Save for the Sale and Purchase Agreement and the Leaseback Agreement as disclosed in this circular, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, to the best knowledge of the Directors, the Directors confirm that there were no material adverse changes in the financial or trading position of the Group since 30 June 2025, being the date to which the latest published audited consolidated accounts of the Group were made up.

8. QUALIFICATION AND CONSENT OF EXPERTS

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

Name	Qualification
Capital 9 Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Valplus Consulting Limited	an independent professional property valuer
RSM Hong Kong	Certified Public Accountants

As at the Latest Practicable Date, each of the above experts:

- (1) has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears;
- (2) did not have any beneficial shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group; and

- (3) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired or disposed of or leased since 30 June 2025, being the date to which the latest published audited accounts of the Company were made up, and up to the date of this circular.

The letters and/or report (as the case may be) from the above experts are given as of the date of this circular for incorporation herein.

9. LITIGATION

Save as disclosed below, so far as the Directors were aware, as at the Latest Practicable Date, no member of the Group was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

10. MATERIAL CONTRACTS

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

- (a) the placing and subscription agreement dated 8 October 2025, entered into between the Company, Mr. Lam and Patrons Securities Limited (the “**Placing Agent**”), pursuant to which (i) Mr. Lam has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the Mr. Lam’s agent, to procure not less than six placees to purchase, on a best efforts basis, 30,606,157 ordinary shares in the Company of HK\$0.01 each (“**Shares**”) at the placing price of HK\$0.476 per Share (“**Placing Shares**”) ; and (ii) Mr. Lam has conditionally agreed to subscribe (by himself or through his nominees) for, and the Company has conditionally agreed to allot and issue to Mr. Lam (or his nominees), 30,606,157 Shares at the subscription price of HK\$0.476 per Share (equivalent to the placing price);
- (b) the sale and purchase agreement dated 24 December 2025, entered into between Shining Impact Limited, a wholly-owned subsidiary of the Company and Ms. Tong Kim Ngan, pursuant to which Shining Impact Limited has conditionally agreed to purchase, and Ms. Tong Kim Ngan has conditionally agreed to sell the sale shares (representing the entire issued share capital of V.Profit International Travel Services Limited) at the consideration of HK\$972,000; and
- (c) the Sale and Purchase Agreement.

11. GENERAL

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

- (b) The head office and principal place of business of the Company in Hong Kong is located at 13th Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong.
- (c) The Company's Hong Kong branch share registrar and transfer office is Union Registrars Limited at Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King's Road North Point Hong Kong.
- (d) The company secretary of the Company is Mr. Hung Hing Man.
- (e) The English text of this circular and the form of proxy shall prevail over the Chinese text in case of inconsistency.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display and published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hengtai.com.hk>) for a period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the Leaseback Agreement;
- (c) the letter from Capital 9 Limited, the Independent Financial Adviser, the text of which is set out under the section headed "Letter from Independent Financial Adviser";
- (d) the report on the review of the financial information of the Target Group, the text of which is set out in Appendix II to this circular;
- (e) the report on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (f) the Valuation Report on the valuation of the Property, the text of which is set out in Appendix V;
- (g) the Valuation Report on the market rent of the Property, the text of which is set out in Appendix VI to this circular; and
- (h) the letters of consent from the experts identified in the section headed "Qualification and Consent of Experts" above in this appendix.

13. MISCELLANEOUS

The English text of this circular shall prevail over its Chinese text in case of inconsistency.



HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00197)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Heng Tai Consumables Group Limited (the “**Company**”) will be held on Friday, 18 September 2026, at Room 1502, 15/F., Olympia Plaza, 255 King’s Road, North Point, Hong Kong at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT,**

- (a) the sale and purchase agreement dated 30 June 2026 (the “**Sale and Purchase Agreement**”, copy of which has been produced to this meeting marked “**A**” and initialed by the Chairman for the purpose of identification) entered into between Fiorfie trading Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company (the “**Vendor**”) and Mr. Lam Kwok Hing, the chairman of the Board, an executive Director, the chief executive officer of the Company (the “**Purchaser**”), pursuant to which the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase, the total issued share capital of Si Wan Limited (士宏有限公司) (the “**Target Company**”), for a consideration of HK\$54,000,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the leaseback agreement dated 30 June 2026 (the “**Leaseback Agreement**”), a copy of which has been produced to this meeting marked “**B**” and initialed by the Chairman for the purpose of identification) entered into between Shanghai Sypher Ltd. (上海士豐實業有限公司) as the lessor, a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company (“**Shanghai Sypher**”) and Shanghai Rusine International Ltd. (上海潤歆貿易有限公司) as the lessee, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company (“**Shanghai Rusine**”), pursuant to which Shanghai Sypher has conditionally agreed to lease back the property situated at No. 1-5, Lane 1199, Jidi Road, Minhang District, Shanghai, the PRC (中國上海市閔行區紀翟路1199弄1-5號) with a gross floor area of approximately 21,820.58 square

NOTICE OF EGM

metres (the “**Property**”) to Shanghai Rusine for a term of three (3) years for an annual rent of RMB5,760,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Sale and Purchase Agreement, the Leaseback Agreement and the transactions contemplated thereunder.”

Yours faithfully,
For and on behalf of
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

Hong Kong, 31 August 2026

Note:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. The register of members of the Company will be closed from Tuesday, 15 September 2026 to Friday, 18 September 2026 (both days inclusive), during which period no transfer of shares will be effected. The record date of the above meeting will be Friday, 18 September 2026. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 14 September 2026 for registration.
5. If typhoon signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the Meeting, the meeting will be postponed. The Company will publish an circular on the website of the Company at <https://www.hengtai.com.hk> and on the Stock Exchange website at <http://www.hkexnews.com> notify shareholders of the Company of the date, time and place of the rescheduled meeting.
6. As at the date hereof, the Board comprised:

Executive Directors:

Mr. Lam Kwok Hing (*Chairman and Chief Executive Officer*)
Ms. Lee Choi Lin Joecy
Mr. Chan Cheuk Yu Stephen
Mr. Sun Banggui

Independent non-executive Directors:

Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Ms. Chan Wai Ying