THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **ArtGo Holdings Limited** (the "**Company**"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

ARTGO HOLDINGS LIMITED

雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (II) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser to the Company

Diligent Capital Limited

Placing Agent to the Company

Arta Asset Management Limited

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

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

A letter from the Board is set out on pages 7 to 37 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on page 38 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 39 to 70 of this circular.

It should be noted that dealings in the Rights Shares in their nil-paid form will take place from Monday, 21 December 2026 to Tuesday, 29 December 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled on or before 4:00 p.m. on Monday, 25 January 2027 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and/or any dealings in the Rights Shares in their nil-paid form between Monday, 21 December 2026 to Tuesday, 29 December 2026 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

A notice convening the EGM to be held at Units 5906–12, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Friday, 4 December 2026, at 11:00 a.m., at which the above proposal will be considered, is set out in this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM if you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

The Rights Issue is on a non-underwritten basis. The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in this circular. If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Thursday, 19 November 2026

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Set out below is the expected timetable for the Rights Issue and the Placing which is for indicative purposes only and is subject to change. It has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Events	**Date and Time**
Expected despatch date of circular together with notice and forms in relation to the EGM for the Rights Issue	Thursday, 19 November 2026
Latest time for lodging transfers of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Monday, 30 November 2026
Closure of the register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM	Tuesday, 1 December 2026 to Friday, 4 December 2026 (both days inclusive)
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Wednesday, 2 December 2026
Record date for attendance and voting at the EGM	Friday, 4 December 2026
Expected date and time of the EGM to approve the proposed Rights Issue	11:00 a.m. on Friday, 4 December 2026
Announcement of poll results of the EGM	Friday, 4 December 2026
Register of members of the Company re-opens	Monday, 7 December 2026

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Rights Issue and therefore the dates are tentative only:

Events	**Date and Time**
Last day of dealings in the Shares on a cum-rights basis	Monday, 7 December 2026
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Tuesday, 8 December 2026
Latest time for lodging transfers of Shares to qualify for the Rights Issue	4:30 p.m. on Wednesday, 9 December 2026
Closure of the register of members of the Company for the determination of entitlements to the Rights Issue	Thursday, 10 December 2026 to Wednesday, 16 December 2026 (both days inclusive)

Events	Date and Time
Record Date for the Rights Issue	Wednesday, 16 December 2026
Register of members of the Company re-opens	Thursday, 17 December 2026
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only	Thursday, 17 December 2026
First day of dealings in nil-paid Rights Shares	Monday, 21 December 2026
Latest time for splitting of PAL	4:30 p.m. on Wednesday, 23 December 2026
Last day of dealings in nil-paid Rights Shares	Tuesday, 29 December 2026
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Tuesday, 5 January 2027
Latest time for lodging transfer documents of nil-paid Rights Shares to qualify for the payment of Net Gain	4:00 p.m. on Tuesday, 5 January 2027
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Wednesday, 6 January 2027
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent	Thursday, 7 January 2027
Latest time of the placing of Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Wednesday, 20 January 2027
Placing Long Stop Date	Friday, 22 January 2027
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company	Tuesday, 26 January 2027
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Wednesday, 27 January 2027
Despatch of refund cheques, if any, if the Rights Issue is terminated	Wednesday, 27 January 2027
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 28 January 2027
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Wednesday, 3 February 2027

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this circular are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

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

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no.8 or above, or "extreme conditions" caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a "black" rainstorm warning:

(i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed "Expected timetable" above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

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

"acting in concert"	has the same meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement issued by the Company dated 2 October 2026 in relation to, among others, the Rights Issue
"associate(s)"	has the meaning ascribed thereto under to the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
"Company"	ArtGo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 3313)
"Compensatory Arrangements"	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
"Completion"	completion of the Rights Issue and the Placing
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder

"General Rules of HKSCC"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee of the Company, comprising all independent non-executive Directors, will be established by the Board for the purpose of advising the Independent Shareholders on the Rights Issue and voting
"Independent Financial Adviser" or "Pelican"	Pelican Financial Limited, a licensed corporation to conduct type 6 (advising on corporate finance) regulated activities under the SFO, and an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and voting
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
"Independent Third Party(ies)"	third party(ies) who, to the best of the Directors' knowledge, information, and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
"Last Trading Day"	Friday, 2 October 2026, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of the Announcement
"Latest Practicable Date"	17 November 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 5 January 2027 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
"Listing Committee"	has the meaning as defined in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Compensatory Arrangements
"No Action Shareholder(s)"	those Qualifying Shareholder(s) who do not subscribe for the Right Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
"Non-Qualifying Shareholder(s)"	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account of either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
"Overseas Letter"	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
"Overseas Shareholder(s)"	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
"PAL(s)"	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue

"Placee(s)"	professional, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
"Placing"	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
"Placing Agent"	Arta Asset Management Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4(advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
"Placing Agreement"	the placing agreement dated 2 October 2026 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Compensatory Arrangements, pursuant to which the Placing Agent has agreed to procure placees on a best effort basis to subscribe for the Unsubscribed Rights Shares
"Placing Long Stop Date"	Friday, 22 January 2027, or such other date as may be agreed between the Company and the Placing Agent as the latest date for the satisfaction of the conditions precedent under the Placing Agreement
"Placing Period"	the period from Thursday, 7 January 2027 up to 4:00 p.m. on Wednesday, 20 January 2027, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Price"	the placing price of the unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
"Posting Date"	Thursday, 17 December 2026 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Prospectus"	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue
"Prospectus Documents"	collectively, the Prospectus and the PAL
"Public Float Requirement(s)"	the public float requirement under Rule 13.32B of the Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Wednesday, 16 December 2026, (or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
"Registrar"	the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Rights Issue"	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every one (1) Share in issue on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
"Rights Share(s)"	Share(s) to be issued and allotted under the proposed Rights Issue on the basis of three (3) Rights Shares for every one Share in issue on the Record Date, being 426,631,386 Shares based on the Company's issued share capital as at the Latest Practicable Date
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription Price"	HK$0.48 per Rights Share
"substantial shareholder(s)"	has the meaning as ascribed to it under the Listing Rules
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Unsubscribed Rights Share(s)"	those Rights Share(s) that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
"%"	per cent.

For the purpose of this circular, unless otherwise specified, the conversion of RMB into HK$ is based on the approximate exchange rate from RMB1 = HK$1.179. The exchange rate is adopted for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this rate or any other rate at all.

ARTGO HOLDINGS LIMITED
雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

Executive Directors:
Ms. Wu Jing *(Joint-Chairman and Acting Chief Executive Officer)*
Mr. Tsai Yu Shen *(Joint-Chairman)*
Mr. Wan Jian
Mr. Qiu Yuyuan

Non-executive Director:
Mr. Gu Zengcai

Independent Non-executive Directors:
Ms. Lung Yuet Kwan
Mr. Hui Yat On
Mr. Zhai Feiquan

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

Headquarter and principal place of business in the PRC:
Room I, 13/F
No. 728 Yan'an West Road
Changning District
Shanghai, PRC

New Material Industrial Park
Teng Tian Town
Yongfeng County
Ji'an City
Jiangxi Province, China

Principal place of business in Hong Kong:
Room C2, Office A, 14/F
Bangkok Bank Building
28 Des Voeux Road Central
Central, Hong Kong

Thursday, 19 November 2026

To the Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further information on the Rights Issue; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM.

1. PROPOSED RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK$0.48 per Rights Share
Net Subscription Price:	HK$0.47 per Rights Share
Number of Shares in issue as of the Latest Practicable Date:	142,210,462 Shares
Maximum number of Rights Shares:	Up to 426,631,386 Rights Shares (assuming there will be no change to the total issued share capital of the Company on or before the Record Date, and that no fractional Shares will be issued)
Gross proceeds from the Rights Issue:	Up to approximately HK$204.78 million before expenses (assuming there will be no change to the total issued share capital of the Company on or before the Record Date, and the Rights Shares will be taken up by the Qualifying Shareholders, or that any Unsubscribed Rights Shares will be successfully placed by the Placing Agent under the Placing)

Assuming there will be no change to the total issued capital of the Company on or before the Record Date, 426,631,386 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 300% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) 75% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

As of the Latest Practicable Date, the Company has no outstanding share options, warrants, options, convertible securities, or other similar rights that are convertible or exchangeable into Shares.

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of its intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must, at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be the Non-Qualifying Shareholders.

To be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Wednesday, 9 December 2026.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 1 December 2026 to Friday, 4 December 2026 (both days inclusive) to determine the eligibility of Shareholders to attend and vote at the EGM.

The register of members of the Company will be closed from Thursday, 10 December 2026 to Wednesday, 16 December 2026 (both days inclusive) to ascertain entitlements for the Rights Issue. During this period, no transfer of Shares will be registered.

Subscription Price

The Subscription Price of HK$0.48 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 25.00% to the closing price of HK$0.640 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 32.39% to the closing price of HK$0.710 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 32.68% to the average closing price of approximately HK$0.713 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;

(iv) a discount of approximately 33.01% to the average closing price of approximately HK$0.717 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day;

(v) a discount of approximately 10.82% to the theoretical ex-rights price of approximately HK$0.538 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.710 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.51%, which is calculated based on the benchmarked price of approximately HK$0.713 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days immediately prior to the Last Trading Day); and

(vii) a discount of approximately 88.62% to the audited net asset value per Share of approximately HK$4.22 based on the latest audited consolidated net asset value Group of approximately RMB541,028,000 (equivalent to approximately HK$599,945,949) as at 31 December 2025 and the number of Shares in issue as at the Latest Practicable Date (i.e. 142,210,462 Shares).

The Subscription Price was determined after an arm's-length negotiation, based on, among other things, the prevailing market price of the Shares and the Group's financial condition.

As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (excluding the independent non-executive Directors) consider the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, issued, and fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made, or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be three (3) Rights Shares (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be, have not been, and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue.

The Board will comply with Rule 13.36(2)(a) of the Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders.

According to the register of members of the Company as of the Latest Practicable Date, there were 18 Shareholders with registered address situated in the PRC, who held 24,183,500 Shares in aggregate, representing approximately 17.01% of the issued share capital of the Company as at the Last Trading Day, and 1 Shareholder with registered address situated in the BVI, who held 1,157,500 Shares in aggregate, representing approximately 0.81% of the issued share capital of the Company as at the Last Trading Day.

The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send the Prospectus (without the

PAL) and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to the Non-Qualifying Shareholders for their information only.

It is the responsibility of the Shareholders, including the Overseas Shareholders, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK$100 will be paid on a pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Compensatory Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Fractional entitlement

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market, and if a premium (net of expenses) is achieved, the Company will retain the net proceeds for its own benefit. Any of these Rights Shares that remain unsold in the market will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 5,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty, (ii) the Stock Exchange trading fee, (iii) SFC transaction levy and (iv) any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Wednesday, 27 January 2027.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched by ordinary post on or before Wednesday, 27 January 2027 at the respective Shareholders' own risk.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

In deciding to conduct the Rights Issue on a non-underwritten basis and without a minimum subscription level, the Directors have considered the Company's funding needs, prevailing market conditions, the interests of the Qualifying Shareholders and the risks associated with the proposed structure. The Directors considered the following factors:

(i) **Difficulty in obtaining underwriting support.** The Company approached securities firms to underwrite the Rights Issue. However, due to, among other things, the trading performance, trading volume and liquidity of the Shares, the uncertain level of Shareholder participation and the size of the fund-raising, the firms approached declined to provide underwriting support. Accordingly, the Directors consider that proceeding on a non-underwritten basis is a practical and commercially reasonable alternative.

(ii) **Discounted Subscription Price.** The Subscription Price has been set at a discount to the prevailing market price of the Shares to encourage Qualifying Shareholders to participate in the Rights Issue and improve the prospects of raising funds.

(iii) **Flexibility in fund-raising.** The absence of a minimum subscription level enables the Company to proceed with the Rights Issue and use the proceeds actually raised, even if the Rights Issue is not fully subscribed. The Directors consider that this avoids the risk of the Rights Issue being delayed or terminated if a minimum subscription level is not achieved.

(iv) **Fair opportunity for Shareholders to participate.** The Rights Issue is offered to Qualifying Shareholders on a pro rata basis. Qualifying Shareholders may subscribe for their entitlements to maintain their percentage interests in the Company. The discounted Subscription Price also provides an incentive for them to participate and helps mitigate the potential dilution arising from the Rights Issue.

(v) **Arrangements for any shortfall.** If the Rights Issue is not fully subscribed, the Company may prioritise or reallocate the proceeds among its proposed uses and consider alternative financing options, where appropriate. These arrangements provide the Company with flexibility to address any shortfall in proceeds.

The proposed non-underwritten structure and the absence of a minimum subscription level are legally permissible and enable the Company to raise funds in a timely and flexible manner, particularly given the difficulty in obtaining underwriting support.

Having considered the above factors, the Directors consider that proceeding with the Rights Issue on a non-underwritten basis and without a minimum subscription level is in the best interests of the Company and its Shareholders as a whole.

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code and the Company to ensure the compliance of the requirements of the sufficient public float be maintained upon the Completion in accordance to Rule 13.32B of the Listing Rules.

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

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

On 2 October 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Wednesday, 20 January 2027, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

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

The Placing Agreement

The principal terms of the Placing Agreement are summarised as below:

Date	:	2 October 2026 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Arta Asset Management Limited As of the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Period	:	The period from Thursday, 7 January 2027 up to 4:00 p.m. on Wednesday, 20 January 2027, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Placing Price	:	The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price, and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process.

Placing commission : Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent.

Placees : The placees shall be professional, institutional and other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company, its subsidiaries, or their respective associates.

The Placing Agent shall also ensure that (i) the public float requirement under Rule 13.32B of the Listing Rules remains to be fulfilled by the Company upon Completion; and (ii) the placees, and whose ultimate beneficial owner(s), (together with parties acting in concert with the respective subscribers or any of the) connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after Completion, none of the placees shall be obliged to make a mandatory general offer to the other Shareholders under the Takeovers Code.

The Company will take all appropriate steps to ensure that sufficient public float is maintained in compliance with Rule 13.32B of the Listing Rules and will comply with the Public Float Requirement at all times.

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

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

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

ii) the passing of the resolution(s) by the Independent Shareholders of the Company who are allowed to vote under the Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transactions contemplated thereunder at the EGM;

iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

None of the above conditions precedent may be waived by the parties to the Placing Agreement. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

In the event of (i) all Rights Shares are fully taken up in the Rights Issue through valid applications under the PAL(s); or (ii) the compensatory placing is otherwise rendered unnecessary, the Placing Agreement shall be terminated or become non-completion. In either scenario, such termination of the Placing Agreement will not result in the failure or termination of the Rights Issue.

The Company shall use its best endeavor to procure the fulfillment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to its attention and indicates that any of such conditions are unable to be fulfilled or fail to be fulfilled. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

Termination : If any of the following events occur at any time prior to 6:00 p.m. on the second Business Day after the last day of the Placing Period (the "**Placing Long Stop Date**"), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

(a) there is any change in national, international, financial, exchange control, political, or economic conditions in Hong Kong which, in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

(b) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or

(c) there is any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or

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

(e) there is (1) any of the Company's representations or warranties becomes or is found to be untrue or inaccurate in any material respect, or any event arises which would render such representations or warranties untrue or inaccurate; (2) the Company commits a material breach of any provision of the Placing Agreement; or (3) there is any material adverse change in market conditions which, in the Placing Agent's absolute opinion, would materially and adversely affect the Placing or make it inadvisable or inexpedient to proceed.

The Compensatory Arrangements comply with the requirements under Rule 7.21(1)(b) under which the No Action Shareholders may be compensated even if they do nothing (i.e., neither subscribe for Rights Shares nor sell their nil-paid rights), given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties. Any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company, with reference to the prevailing market rate, and the Company considers the terms to be normal commercial terms.

The Company believes the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interests of the Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given that the Company has put in place the Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions:

(1) the passing of the necessary resolutions by the Shareholders (or as the case may be, the Independent Shareholders) at the EGM approving, among other things, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Posting Date of a certificate authorizing registration of the Prospectus with Hong Kong Companies Registry;

(2) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong, the Prospectus Documents, in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, not later than the Posting Date;

(3) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;

(4) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully paid forms) by no later than the first day of their dealings;

(5) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and

(6) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

For the condition (5) mentioned above, in the event of (i) all Rights Shares are fully taken up in the Rights Issue through valid applications under the PAL(s); or (ii) the compensatory placing is otherwise rendered unnecessary, the Placing Agreement shall be terminated or become non-completion. In either scenario, such termination of the Placing Agreement will not result in the failure or termination of the Rights Issue.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Monday, 25 January 2027 (or such later date as the Company may determine), the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The estimated net proceeds from the Rights Issue, after considering all anticipated expenses and assuming there will be no changes to the total issued share capital of the Company on or before the Record Date, are projected to amount to approximately HK$200.35 million (the "**Net Proceeds**"). This projection is based on the expectation that Qualifying Shareholders will fully subscribe to the Rights Shares or that any Unsubscribed Rights Shares will be successfully placed by the Placing Agent. The Directors intend to allocate the Net Proceeds as follows:

(i) approximately HK$163.23 million, representing approximately 81.47% of the Net Proceeds, will be directed toward repaying the Group's liabilities; and

(ii) approximately HK$37.12 million, representing approximately 18.53% of the Net Proceeds, will be designated for general and corporate administrative purposes. This allocation includes directors' remuneration, wages and salaries, legal and professional fees, and rental expenses.

Based on the current business plan, the Group anticipates that the proceeds will be fully utilised within 12 months following completion of the Rights Issue. The use of proceeds raised from the Rights Issue shall remain consistent with the aforementioned purposes upon the Completion.

(1) Repayment of the Group's outstanding indebtedness

The Company intends to apply approximately HK$163.23 million of the Net Proceeds as follows:

(a) approximately RMB112.71 million, equivalent to approximately HK$132.89 million, for the repayment in full of the First Loan; and

(b) approximately RMB25.73 million, equivalent to approximately HK$30.34 million, for the repayment in full of the Second Loan.

The above allocation is based on the outstanding amounts of the First Loan and the Second Loan, including accrued interest, as at the expected repayment date. The actual allocation may be adjusted, among other things, based on the amount of interest accrued up to the date of repayment.

(1.1) Principal terms of the First Loan and the Second Loan

First Loan

The First Loan is an unsecured loan advanced to the Group by an independent third-party lender (the "**Lender**"). As at 30 June 2026, the total outstanding amount of the First Loan was approximately RMB112.71 million, comprising RMB111.00 million in principal and approximately RMB1.71 million in accrued interest.

The First Loan bears interest at 3% per annum and is scheduled to mature on 30 September 2029 pursuant to the relevant loan agreement and supplemental agreement. Accrued interest was expected to amount to approximately RMB2.56 million as at 30 September 2026 and was originally due for payment on that date.

Under the loan documents, failure to pay the accrued interest by 30 September 2026 would constitute an event of default. In that event, default interest would be chargeable at 18% per annum on the outstanding amount from 1 October 2026, and the Lender could be entitled to demand immediate repayment of the outstanding principal notwithstanding its scheduled maturity date.

As at the Latest Practicable Date, the original interest payment date had passed and, due to cash flow constraints, the Group had not paid the accrued interest. Following discussions with the Lender, the Lender agreed to extend the payment deadline for the accrued interest to 31 January 2027. The Lender has provided the Group with a written confirmation of the extension. The extension is unconditional and does not involve any additional interest, fee, security, undertaking, covenant or repayment condition. Accordingly, the Group considers the extended deadline effective based on the Lender's written confirmation.

The extension is intended to allow the Group additional time to complete the Rights Issue, which is expected to be completed by 31 January 2027, and to apply the proceeds towards payment of the accrued interest. If the Rights Issue is not completed by 31 January 2027, or if the proceeds raised are insufficient to repay the accrued interest, which is expected to amount to approximately RMB3.67 million by that date, the unpaid accrued interest will remain outstanding after the extended deadline. In such circumstances, the Lender will immediately impose default interest at 18% per annum on the outstanding amount in accordance with the original loan documents and may consider the First Loan to be in default and demand immediate repayment of the outstanding principal together with accrued interest.

Second Loan

The Second Loan represents another unsecured loan advanced to the Group, a PRC individual and an Independent Third Party. The Second Loan was originally provided to finance the production and business operations of a mine owned by the Group and located in Yongfeng County, Jiangxi Province, the PRC. As at 30 September 2026, the outstanding amount of the Second Loan was approximately RMB25.73 million, comprising principal of RMB19.80 million and accrued interest of approximately RMB5.93 million. The Second Loan bears interest at 18% per annum, and the Group is scheduled to repay the principal and accrued interest in full on its maturity date of 31 December 2027.

(1.2) Event of default and affected loan amount

The Company wishes to clarify that the only potential event of default under the First Loan relates to the payment of accrued interest. If the Group fails to pay the accrued interest on or before 31 January 2027, an event of default will occur, and the interest rate applicable to the outstanding principal will increase from 3% to 18% per annum with effect from 1 February 2027. Accordingly, if the Group fails to make the payment by 31 January 2027, the aggregate amount in respect of which an event of default may occur will comprise the outstanding principal and accrued interest under the First Loan, which amounted to approximately RMB114.67 million as at 31 January 2027.

(1.3) Background and reasons for the Rights Issue

When the Company published its circular in relation to the share consolidation on 4 June 2026, the Board prepared a cash flow forecast based on the information and circumstances then available. At that time, the Board expected that:

(i) the Company would receive approximately RMB7.00 million in repayment of other receivables (the "**Other Receivables**") in July 2026;

(ii) the Group would incur operating cash outflows of approximately RMB485,000 per month during the second half of 2026;

(iii) the Group would incur finance costs of approximately RMB1.42 million per month during the second half of 2026; and

(iv) based on the Group's cash balance of approximately RMB9.30 million as at early June 2026, the Group would retain a cash balance of approximately RMB10.58 million as at 31 August 2026, after taking into account the expected repayment of other receivables (i.e., RMB9.30 million – (RMB485,000 + 1.42 million) x 3 months + RMB7.00 million).

Based on those assumptions, the Board considered that the Group would be able to settle the accrued interest under the First Loan and the Second Loan when due. The Board also considered that, if necessary, the Group could explore refinancing with banks or other financial institutions. Accordingly, the Board did not consider it necessary or appropriate at that time to undertake a rights issue in connection with the share consolidation.

However, the Group's operating cash flow did not improve as expected. In particular, the Group did not receive certain other receivables in the amounts or within the timeframes originally anticipated.

The Other Receivables arose primarily from the sale of marble products and marble raw-stone processing equipment to an independent third party, a limited liability company established in the PRC (the "**Relevant Debtor**"), under a contract (the "**Head Contract**") with an aggregate value of RMB42 million. The Head Contract, which was principally entered into in 2023, covered marble products with a value of RMB12 million and 14 pieces of marble raw-stone processing equipment with an aggregate value of RMB30 million, comprising (i) six 2.5-meter marble gang saws; (ii) six 2.0-meter marble gang saws; and (iii) two fully automatic marble polishing machines.

The Group entered into the Head Contract to sell part of its marble raw-stone processing equipment because it had surplus production capacity and a portion of its processing machinery was underutilised. Rather than allowing these idle machines to depreciate and incur wear and tear without generating returns, the Group considered it commercially sensible to realise their value through disposal, thereby reducing upkeep costs and strengthening the Group's working capital.

Under the Head Contract, the contract price was to be repaid in 21 monthly instalments over two years, commencing in January 2024 and ending in December 2025. As at 31 December 2025, the Group had received approximately RMB9 million from the Relevant Debtor. Accordingly, the outstanding balance of the Other Receivables was approximately RMB33 million, comprising RMB12 million relating to the sale of marble products and RMB21 million relating to the sale of marble raw-stone processing equipment.

Although the Head Contract provided for monthly instalments, the parties agreed that any outstanding amounts would be repayable on demand. Accordingly, the Group classified the outstanding receivables under the Head Contract as current in its financial statements.

Following negotiations and an assessment of the repayment arrangements, the parties entered into a supplemental agreement to the Head Contract in 2025. Under the supplemental agreement, the parties confirmed that the RMB12 million receivable arising from the sale of marble products was in default, and requested that the Relevant Debtor repay it in due course. The parties also agreed to extend the repayment maturity of the RMB21 million receivable arising from the sale of marble raw-stone processing equipment to 30 June 2027, with repayment to be made in the following instalments: (i) RMB7 million on 30 June 2026; (ii) RMB7 million on 31 December 2026; and (iii) the remaining RMB7 million on 30 June 2027.

The Group received only approximately RMB843,000 towards the first instalment. From July 2026 up to the Latest Practicable Date, the Group received no further repayments from the Relevant Debtor. The outstanding balances are unsecured and interest-free. As at the Latest Practicable Date, the receivable arising from the sale of marble products remained RMB12 million, while the receivable arising from the sale of marble raw-stone processing equipment under the Head Contract was approximately RMB20.18 million.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Relevant Debtor and its ultimate beneficial owners are Independent Third Parties. Based on the information currently available to the Group, the delay in settlement was primarily attributable to the Relevant Debtor's decision to defer payments and extend the settlement periods for its accounts payable as part of its working capital and cash flow management.

Although the relevant agreements generally entitled the Group to demand immediate repayment, the Board considered it commercially appropriate to allow the Relevant Debtor additional time to settle the outstanding amounts before commencing formal legal proceedings. The Board approved this approach in August 2026.

In reaching its decision, the Board took into account the potential marble product sales transactions referred to by the Relevant Debtor and the agreed instalment arrangements, which provided the Relevant Debtor with additional time and flexibility to arrange the necessary funds. The Board also considered the repayments received to date and the Relevant Debtor's plan and commitment to repay the RMB12 million receivable arising from the sale of marble products and to make the next instalment payment in respect of the receivable arising from the sale of marble raw-stone processing equipment, including payment of the outstanding portion of the first instalment.

The Relevant Debtor informed the Group that, after arranging its cash flow, it expected to repay the outstanding receivables on or before January 2027. The Board considered this indication together with the potential costs and time involved in enforcement proceedings. The Board also recognised that, although the Relevant Debtor had indicated its commitment to repay if given additional time, the timing and amount of any repayment remained dependent on the Relevant Debtor's cash flow and were outside the Group's control. At that time, the Group had been unable to obtain further repayment from the Relevant Debtor despite repeated demands. The Board therefore considered that allowing additional time could preserve the prospect of recovering the outstanding amounts, whereas commencing enforcement proceedings immediately could involve substantial costs and delay without ensuring prompt recovery.

In 2025, the Group, the Relevant Debtor and the Lender entered into a tri-party undertaking agreement (the "**Undertaking**"). Under the Undertaking, the maximum amount covered is RMB23,027,008, being the full outstanding principal amount of the Other Receivables. The Undertaking provides for the Group to assign the relevant Other Receivables to the Lender, and for the Lender to accept that assignment and apply the relevant amount towards discharging part of the amount due under the First Loan, if any of the following circumstances occurs:

(i) the Relevant Debtor fails to repay the Other Receivables in full upon expiry of the agreed repayment period;

(ii) the Relevant Debtor undergoes bankruptcy, liquidation, dissolution or insolvency;

(iii) the Relevant Debtor breaches other material agreements with the Group, resulting in the early maturity of the Other Receivables; or

(iv) another circumstance mutually recognised by the Lender, the Group and the Relevant Debtor as triggering the arrangement occurs.

Upon the occurrence of any of these circumstances, the Lender is obliged under the Undertaking to accept the assignment. The amount to be discharged under the First Loan would be determined at that time by reference to the amount of Other Receivables assigned under the Undertaking, subject to the maximum amount of RMB23,027,008 and the outstanding amount due under the First Loan. Accordingly, the arrangement would be

available only if a specified trigger event occurred and would discharge only part of the First Loan; it does not provide for full repayment of the First Loan or payment of accrued interest when due.

The Board considered the Undertaking when assessing the recoverability of the Other Receivables. However, the Undertaking does not provide security, a guarantee or other credit protection in respect of the Other Receivables. In particular, it is a conditional arrangement that may be invoked only if one of the specified circumstances occurs. Based on the Relevant Debtor's stated intention to repay and its expected instalment payment on or before January 2027, the Board did not consider it appropriate to rely on an assignment under the Undertaking as the primary means of repaying the First Loan. In addition, the assignment could at most discharge part of the First Loan and would not itself provide the funds needed to pay the accrued interest by its due date. The Group therefore could not rely on the Undertaking to meet its interest payment obligation or avoid the risk of default under the First Loan.

The Board also took into account that the Group's obligation to repay the First Loan remained due regardless of when, or whether, the Relevant Debtor made further repayments. Because the Group could not rely on either the timing of the Relevant Debtor's repayments or the occurrence of a trigger event under the Undertaking to meet that obligation, it needed to raise further funds, despite the potential dilution to existing shareholders. The Board considered that allowing the Relevant Debtor additional time and pursuing fundraising were separate but necessary steps: the former sought to preserve the prospect of recovering the Other Receivables, while the latter addressed the Group's own loan repayment obligations, including the accrued interest. On this basis, the Board concluded that allowing additional time was in the Company's interests and that the Rights Issue remained necessary.

Due to the default in respect of the receivable arising from the sale of marble products under the Head Contract, the Group recognised a full impairment provision of RMB12 million against that receivable. In respect of the receivable arising from the sale of marble raw-stone processing equipment under the Head Contract, the Group recognised a general expected credit loss provision of approximately RMB5.03 million as at 31 December 2025, after taking into account the Undertaking.

The Board resolved that, if the Group did not receive the repayment expected in January 2027, it would consider taking further legal action, including serving a statutory demand on the Relevant Debtor to recover the outstanding receivables.

As at 31 August 2026, the Group's cash balance had decreased to approximately RMB8.80 million, representing a shortfall of approximately RMB1.78 million compared with the approximately RMB10.58 million projected in the earlier cash flow forecast. Based on the repayment schedule and its assessment of the Relevant Debtor's repayment capacity, the Board expected to recover the outstanding balance by January 2027. If the Relevant Debtor fails to make payments when due, the Group will consider taking appropriate steps to recover the outstanding amount, including pursuing any available contractual or legal remedies.

In addition, based on the latest cash flow forecast, the Group is expected to incur operating cash outflows, including finance costs, of approximately RMB2.40 million per month from September 2026 to November 2026. This represents an increase of approximately RMB0.495 million per month compared with the amount projected in the previous cash flow forecast. Accordingly, the Group is not expected to have sufficient surplus funds to settle the accrued interest under the First Loan when it falls due on 30 September 2026 without adversely affecting its liquidity and ability to maintain its ongoing operations.

Following the publication of the circular in relation to the share consolidation on 4 June 2026, the Company indicated that it did not intend to conduct any fundraising activities during the 12 months following completion of the share consolidation. Upon becoming aware of the circular's contents, the Lender subsequently commenced discussions with the Company regarding the Group's repayment plan and, on 10 July 2026, served a reminder letter to the Group (the "**Reminder Letter**").

The Reminder Letter reminded the Group that, upon the occurrence of an event of default or any other non-compliance under the relevant loan documents, including any delay in the payment of interest, default interest would be chargeable at 18% per annum on the outstanding amount with effect from 1 October 2026.

Although the First Loan is scheduled to mature on 30 September 2029 and the Lender has agreed to extend the deadline for payment of the accrued interest to 31 January 2027, the Group must pay the accrued interest by that date to avoid an event of default, the potential acceleration of the First Loan and the accrual of default interest. If the Group does not pay the accrued interest by 31 January 2027, the Lender may demand immediate repayment of the RMB111.00 million principal, together with accrued interest and any applicable default interest.

The Directors reviewed the Group's financial position, cash flow forecasts and treasury requirements. The Directors noted that the Group remains highly leveraged, with substantial borrowings, limited current assets, and a relatively low cash balance. Based on the latest cash flow forecasts, the Group's operating cash inflows are expected to be substantially applied towards day-to-day operations, operating expenses and working capital requirements. Accordingly, the Directors consider that the Group is unlikely to generate sufficient surplus cash to settle the accrued interest without adversely affecting its ability to maintain adequate liquidity for its ongoing operations.

The Group's ability to obtain alternative financing is also constrained by its financial position and the limited availability of assets suitable for pledging. The Group's existing assets primarily comprise mining infrastructure and construction in progress relating to its mining business in the PRC. Such assets may not be readily realisable or acceptable to financial institutions as collateral. The Group may therefore be unable to obtain secured financing to repay the relevant loans and may instead need to rely on unsecured or cash-backed facilities, if available. Any such facilities may involve higher financing costs, more stringent terms or limited funding availability.

In light of the Group's weaker-than-expected operating cash flow, deteriorating liquidity position, imminent interest payment obligations and continuing difficulty in obtaining refinancing, the Directors consider that the Group's financial circumstances have materially changed since the publication of the circular in relation to the share consolidation.

The Directors therefore consider that the Rights Issue is necessary to enable the Group to meet its imminent repayment obligations, avoid a potential default and preserve sufficient liquidity for its continuing operations.

(1.4) Factors considered in determining the amount and use of the Net Proceeds

In determining the amount to be raised and the proposed allocation of the Net Proceeds, the Directors have considered the following principal factors:

(i) Imminent interest payment obligations and default risk

The accrued interest under the First Loan, estimated at approximately RMB8.50 million in aggregate, will be due on 30 September 2026.

If the Group does not pay the accrued interest on time, it may be an event of default. In respect of the First Loan, default interest may be charged at 18% per annum with effect from 1 October 2026, and the Lender may be entitled to demand immediate repayment of the RMB111.00 million principal amount, together with accrued interest and any applicable default interest.

The Directors therefore consider it necessary to prioritise the repayment of the accrued interest in order to reduce the risk of default, acceleration and enforcement action.

(ii) High financing costs

The First Loan and the Second Loan carry interest at 3% per annum and 18% per annum, respectively. The aggregate annual interest expense associated with the two loans is approximately RMB10.00 million, based on their respective outstanding principal amounts and applicable interest rates.

Although the principal amounts of the First Loan and the Second Loan are not scheduled to mature until 2029 and 2027, respectively, the Directors consider early repayment commercially prudent, particularly for the Second Loan, which bears a relatively high interest rate. Repayment of the loans would: (a) reduce the Group's finance costs; (b) reduce its overall indebtedness and gearing; (c) improve its liquidity and capital structure; and (d) reduce its exposure to the risk of default interest and potential acceleration.

(iii) Improvement of the Group's financial position

After repaying the First Loan and the Second Loan, the Group would have lower indebtedness and a reduced gearing ratio. The Directors consider that this may improve the Group's financial standing and enhance its ability to obtain financing from banks or other financial institutions at a lower cost, should it require additional funding for future operations.

(iv) Preservation of liquidity for ongoing operations

The Directors have also considered the need to retain sufficient working capital for the Group's day-to-day operations, operating expenses and working capital requirements. Given the Group's limited cash balance and expected operating cash outflows, the Company does not consider it appropriate to apply all of the Net Proceeds to repay borrowings without retaining sufficient funds to support the Group's continuing operations.

The proposed allocation of the Net Proceeds is therefore intended to balance the Group's immediate repayment obligations with its ongoing liquidity requirements.

If the Net Proceeds are lower than the amount currently expected, the Company intends to apply the available Net Proceeds in the following order of priority: first, to settle the accrued interest under the First Loan falling due on 30 September 2026; second, after settlement of the accrued interest, to repay the Second Loan, which carries the higher interest rate; and thereafter, to repay the outstanding principal amount of the First Loan, subject to the amount of Net Proceeds available and the Group's working capital requirements.

The Company's prioritisation of the Second Loan after settlement of the accrued interest is intended to reduce the Group's exposure to its higher financing cost and lower its overall finance cost burden over the long term.

(1.5) Conclusion

The Rights Issue is intended to provide the Group with the funds necessary to: (i) settle the imminent accrued interest obligations under the First Loan and the Second Loan; (ii) reduce the risk of default, acceleration and enforcement; (iii) repay the higher-cost Second Loan; (iv) reduce the Group's overall indebtedness and finance costs; (v) improve the Group's liquidity and capital structure; and (vi) preserve sufficient funds for the Group's continuing operations.

Having considered the above, the Directors consider that the proposed allocation of the Net Proceeds is necessary, commercially prudent and in the interests of the Company and its Shareholders as a whole.

(2) General corporate and administration working capital purposes

After reviewing the 2025 Annual Report and the Group's unaudited consolidated financial statements for the six months ended 30 June 2026, the Directors consider that the Group has an immediate need to replenish its working capital. For the six months ended 30 June 2026, the Group recorded a loss before tax of approximately RMB18.87 million, administrative expenses of approximately RMB19.57 million and selling and distribution expenses of approximately RMB3.00 million, while its gross profit was only approximately RMB9.40 million. As a result, the Group's operating performance and cash position have weakened, and its internally generated cash flows are insufficient to cover its ongoing expenses and maintain adequate working capital.

The Directors acknowledge that the Company did not contemplate an immediate fundraising exercise when it conducted the share consolidation exercise on 4 June 2026. At that time, the Directors relied on the financial information, cash resources, expected operating cash flows and working capital requirements then available. The need for additional working capital became apparent only after the Group's financial review following the finalisation of its unaudited consolidated financial statements for the six months ended 30 June 2026. The Group's loss before tax, low gross profit and significant operating expenses indicated a higher-than-expected funding requirement. Accordingly, the current fund-raising proposal was not contemplated at the time of the share consolidation but has become necessary due to the Group's subsequently identified financial and liquidity needs.

The Directors therefore intend to allocate approximately HK$37.12 million from the Net Proceeds for general working capital purposes, including (i) approximately HK$22.00 million for employee salaries and other personnel-related costs; (ii) approximately HK$5.00 million for professional fees and other professional services; (iii) approximately HK$3.00 million for rental expenses; and (iv) approximately HK$7.12 million for other administrative and operating expenses.

The allocation will help preserve the Group's operational liquidity, support its ongoing go-to-market activities, and enable the Group to expand its business while maintaining service quality and timely delivery. The Net Proceeds allocated for the above purposes are expected to be fully utilised by the Group within 12 months after Completion.

(3) Other fund-raising alternatives

Apart from conducting the Rights Issue, the Directors have considered other debt and equity fundraising alternatives, such as bank borrowings, placements, or an open offer. In view of the current financial environment, the Directors believe that it might be difficult for the Group to obtain debt financing, including bank borrowings, if any, without paying an above-market-average interest rate and providing security. Currently, the Group's interest costs range from approximately 2.80% to 24.00%. It is anticipated that increased debt financing may elevate the Group's gearing. This potential increase could result in higher interest expenses and finance costs, thereby imposing an additional financial burden on the Group's future cash flow. Furthermore, creditors will rank ahead of the Shareholders, and placings of new shares will dilute the Shareholders' interests without affording them the opportunity to participate in the exercise. In the interests of the Group and its Shareholders as a whole, the Board believes it is

prudent to finance the Group's business growth through equity financing, which will not increase the Group's costs or interest burden. Unlike an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and continue to participate in the Company's future development.

Having considered the abovementioned alternatives, the Directors consider that raising funds through the Rights Issue is more attractive in the current market conditions. The Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

(4) Conclusion

The Group has conducted a detailed assessment of its capital requirements. As of 30 June 2026, the cash and cash equivalents amount to approximately RMB8.61 million. The Directors intend to allocate these resources to support the Group's general working capital needs.

In addition, the Company is committed to managing its cash balances diligently to ensure that it has adequate financial resources available to seize potential business opportunities as they arise. The Directors believe that raising additional funds to HK$200.35 million will alleviate the Group's financial burden.

The Directors are confident that this course of action will not adversely impact the Group's financial performance from its ongoing business activities. Furthermore, the Directors consider that the Rights Issue is in the best interests of the Company and its Shareholders as a whole.

In the event that the Net Proceeds from the Rights Issue are lower than the estimated maximum Net Proceeds, the Company will prioritise the repayment of the accrued interest payable under the First Loan and the Second Loan. After taking into account the Group's working capital requirements for the six months following Completion, the remaining funds will be applied towards the repayment of the principal amount of the Second Loan and, thereafter, the principal amount of the First Loan.

The Company will also assess various options to address any potential shortfall, including exploring additional financing and fundraising alternatives.

FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately before the Latest Practicable Date:

Date of relevant announcements	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
5 December 2025 and 24 December 2025	Placing of new shares under the general mandate	HK$24.77 million	(i) as to approximately HK$3.00 million for the general working capital of the Group; and (ii) as to approximately HK$21.77 million for repayment of the Group's current debts and interests.	Fully utilised

Save as disclosed above, the Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the Latest Practicable Date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes to the Company's shareholding structure arising from the Rights Issue, for illustrative purposes only. Below is the illustration of the Company's shareholding structure, including

(i) as of the Latest Practicable Date;

(ii) immediately after Completion, assuming (a) all Qualifying Shareholders will take up their respective entitlements of the Rights Issue in full, and (b) there will be no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 1**"); and

(iii) immediately after Completion, assuming (a) none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares, (b) the Placing Agent will successfully place all the Unsubscribed Rights Shares under the Placing, and (c) there will be no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 2**").

Shareholders	As of the Latest Practicable Date		Scenario 1		Scenario 2 *(Note 2)*	
	Number of Shares	*Approximately Shareholding Percentage*	*Number of Shares*	*Approximately Shareholding percentage*	*Number of Shares*	*Approximately Shareholding Percentage*
Wu Jing *(Note 1)*	655,685	0.46%	2,622,740	0.46%	655,685	0.12%
Qiu Yuyuan *(Note 1)*	600,000	0.42%	2,400,000	0.42%	600,000	0.11%
Heifeng Casado Co., Limited *(Note 2)*	27,300,064	19.20%	109,200,256	19.20%	27,300,064	4.80%
Xu Xiaodong	13,800,000	9.70%	55,200,000	9.70%	13,800,000	2.42%
The Placees	—	—	—	—	426,631,386	75.00%
Public Shareholders	99,854,713	70.22%	399,418,852	70.22%	99,854,713	17.55%
Total	142,210,462	100.00%	568,841,848	100.00%	568,841,848	100.00%

Notes:

1. Ms. Wu Jing and Mr. Qiu Yuyuan are executive Directors.

2. This scenario is for illustrative purposes only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best-effort basis, to subscribe for the Unsubscribed Rights Shares. The Company will take all appropriate steps to ensure that sufficient public float is maintained in compliance with Rule 13.32B of the Listing Rules. In the event that the Rights Issue would result in public float not being maintained, the Company and/or the Placing Agent will take necessary action to place down the Shares such that sufficient public float could be maintained in compliance with Rule 13.32B of the Listing Rules.

2. LISTING RULES IMPLICATION

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date, the Rights Issue is conditional on minority Shareholders' approval at the EGM in accordance with the requirements of the Rule 7.19A of the Listing Rules.

Pursuant to Rule 7.27A(1) of the Listing Rules, where Shareholders' approval is required for a rights issue under rule 7.19A, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company does not have a controlling shareholder as defined by the Listing Rules. However, Ms. Wu Jing and Mr. Qiu Yuyuan, both of whom serve as executive Directors, each hold beneficial interests in 655,685 Shares and 600,000 Shares, respectively, which represent approximately 0.46% and 0.42% of the total issued share capital of the Company as of the Latest Practicable Date. As a result, Ms. Wu Jing and Mr. Qiu Yuyuan are required to abstain from voting on the proposed resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. Save as the above disclosure,

no other Shareholders or Directors are required to abstain from voting in favour of the proposed resolution to approve the Rights Issue and the transaction contemplated thereunder at the EGM.

3. THE EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Rights Issue and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to pages EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herewith.

Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish.

The register of members of the Company will be closed from Tuesday, 1 December 2026 to Friday, 4 December 2026 (both days inclusive) for determine the eligibility of the Shareholders to attend and vote at the EGM. In order to qualify for attendance and voting at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 30 November 2026.

In compliance with the Listing Rules, all the resolutions to be proposed at the EGM will be voted on by way of poll at the EGM.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing further information regarding, among other things, the Rights Issue (including information on acceptances of the Rights Shares), PAL(s) are expected to be despatched to the Qualifying Shareholders on Thursday, 17 December 2026.

4. TYPHOON OR BLACK RAINSTORM WARNING ARRANGEMENTS

If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the Company's website at www.artgo.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.

5. RECOMMENDATION

The Independent Board Committee, which comprises all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. Pelican has been appointed as the Independent Financial Adviser in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on page 38 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from Pelican Financial Limited set out on pages 39 to 70 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors believe that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, and the Rights Issue are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and, accordingly, recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Rights Issue.

6. ADDITIONAL INFORMATION

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

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

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this letter.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholders in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

By order of the Board
ArtGo Holdings Limited
Qiu Yuyuan
Executive Director

ARTGO HOLDINGS LIMITED
雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

19 November 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

We refer to the circular of the Company dated 19 November 2026 (this "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether, in our opinion, the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole. Details of the Rights Issue are set out in the "Letter from the Board" on pages 7 to 37 of this Circular.

Pelican Financial Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving thereat, are set out in its letter on pages 39 to 70 of the Circular.

Having taken into account the terms of the Rights Issue, the information contained in the Circular and the advice of the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution approving the Rights Issue at the EGM.

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

Ms. Lung Yuet Kwan **Mr. Hui Yat On** **Mr. Zhai Feiquan**
Independent non-executive Directors

PELICAN FINANCIAL
百 利 勤 金 融

PELICAN FINANCIAL LIMITED

28/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

19 November 2026

To the Independent Board Committee and the Independent Shareholders of Artgo Holdings Limited

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue of 426,631,386 Rights Shares at the Subscription Price of HK$0.48 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated 19 November 2026 (the "**Circular**"), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the Announcement in relation to, among others, the Rights Issue. On 2 October 2026, the Company proposed to raise gross proceeds of approximately HK$204.78 million (net proceeds — HK$200.35 million), before expenses by way of the Rights Issue of 426,631,386 Rights Shares at the Subscription Price of HK$0.48 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date. The Rights Issue will proceed on a non-underwritten basis and is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

On 2 October 2026, the Company also entered into the Placing Agreement with the Placing Agent, in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis under the Compensatory Arrangements. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best

effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis.

Any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Rights Issue and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date, the Rights Issue is conditional on minority Shareholders' approval at the EGM in accordance with the requirements of Rule 7.19A of the Listing Rules.

Pursuant to Rule 7.27A(1) of the Listing Rules, where Shareholders' approval is required for a rights issue under Rule 7.19A, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company does not have a controlling Shareholder as defined under the Listing Rules. However, Ms. Wu Jing and Mr. Qiu Yuyuan, both being executive Directors, are interested in 655,685 Shares and 600,000 Shares, representing approximately 0.46% and 0.42% of the total issued share capital of the Company, respectively, and are therefore required to abstain, and shall procure their respective associates to abstain, from voting in favour of the resolution to approve the Rights Issue and the transactions contemplated thereunder at the EGM. Save as disclosed above, no other Shareholders or Directors are required to abstain from voting in favour of the proposed resolution approving the Rights Issue and the transactions contemplated thereunder at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of four executive Directors, one non-executive Director and three independent non-executive Directors. The Independent Board Committee, comprising Ms. Lung Yuet Kwan, Mr. Hui Yat On and Mr. Zhai Feiquan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders on the Rights Issue and the transactions contemplated thereunder. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on these matters.

OUR INDEPENDENCE

Pelican Financial Limited ("**Pelican**") is not connected (financially or otherwise) with the Company, the Directors, chief executive or substantial shareholders of the Company or any of their respective associates and concert parties and we are not aware of any relationships or interests between us and the Company or any of their respective substantial shareholders, directors or chief executives, or of their respective associates, and parties acting in concert with any one of them, that could reasonably be regarded as relevant to our independence.

In the last two years, there was no other engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as the Independent Financial Adviser, no arrangement exists whereby Pelican will receive any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company or any of their respective associates and concert parties that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Accordingly, we consider that we are eligible to give independent advice on the Rights Issue and the transactions contemplated thereunder at the EGM.

Our role is to provide you with our independent opinion and recommendation as to whether (i) the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; (ii) the Rights Issue and the transactions contemplated thereunder are in the interest of the Company and the Independent Shareholders as a whole; and (iii) the Independent Shareholders should vote in favour of or against the relevant resolution(s) to be proposed at the EGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions which include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, to the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, the Placing Agreement, the Announcement, the annual report of the Company for the financial year ended 31 December 2025 (the "**2025 Annual Report**"), the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**") and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the prospects of the Group.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In arriving at our opinion and recommendation with regard to the terms of the Rights Issue, we have taken into account the principal factors and reasons set out below:

1. Background and financial information of the Group

The Company is an investment holding company and the Group is principally engaged in the business of production and sales of calcium carbonate products, mining, processing and sale of marble stones and warehousing and logistics. The Group's principal mining asset is the Yongfeng Mine located in Yongfeng County, Jiangxi Province, the PRC, which produces marble stones, with a mining permit expiring on 5 June 2030 and a permitted production volume of 1,100,000 cubic metres per annum.

As stated in the 2025 Annual Report, the Group's marble products business showed tentative recovery in 2025 as the real estate and commercial renovation markets in the PRC regained modest momentum, although competition remained intense and pricing pressure persisted throughout the year. Revenue from marble stone products increased to approximately RMB7.1 million for the year ended 31 December 2025 ("**FY2025**"), representing a growth of approximately 159.5% as compared with approximately RMB2.7 million for the year ended 31 December 2024 ("**FY2024**"). The downstream marble-based calcium carbonate business remained the Group's principal earnings contributor in 2025, with revenue of approximately RMB64.6 million for FY2025, representing a decrease of approximately 4.2% as compared with approximately RMB67.5 million for FY2024. The Group has been adopting a low-margin strategy since 2022 to cope with the weak market conditions in the PRC, particularly in the real estate construction sector, and such strategy is expected to be maintained in the foreseeable future until the market conditions improve.

As stated in the 2026 Interim Report, during the six months ended 30 June 2026, property developers in the PRC continued to face severe liquidity constraints and overall downstream demand remained insufficient to absorb the prevailing industry overcapacity, leading to fierce competition among building material suppliers. The Group recorded revenue of approximately RMB5.1 million from marble stone products for the six months ended 30 June 2026, as compared with approximately RMB1.1 million for the

corresponding period in 2025, while the calcium carbonate business, by adopting a mild low-margin strategy to maintain its market share in a highly competitive market environment, contributed approximately RMB27.3 million to the Group's revenue as compared with approximately RMB28.5 million for the corresponding period in 2025. The Group's warehouse logistics segment, which the Group decided to abandon in December 2019 and remains committed to disposing of, contributed revenue of approximately RMB1.7 million for the six months ended 30 June 2026.

2. Financial information of the Group

Set out below is a summary of the consolidated financial information of the Group for the six months ended 30 June 2026 and 2025 as extracted from the 2026 Interim Report and for the two years ended 31 December 2025 and 2024 as extracted from the 2025 Annual Report:

Table 1: Summarised financial results of the Group

	For the six months ended 30 June		**Period-on-period change**	**For the year ended 31 December**		**Year-on-year change**
	2026	**2025**		**2025**	**2024**	
	RMB'000 (Unaudited)	*RMB'000* (Unaudited)	*(%)*	*RMB'000* (Audited)	*RMB'000* (Audited)	*(%)*
Marble stone products	5,102	1,061	+380.9	7,120	2,744	+159.5
Calcium carbonate products	27,314	28,477	-4.1	64,630	67,462	-4.2
Logistics and warehousing services	1,672	1,171	+42.8	2,008	1,390	+44.5
Total revenue	**34,088**	**30,709**	**+11.0**	**73,758**	**71,596**	**+3.0**
Cost of sales	(24,690)	(22,918)	+7.7	(61,544)	(60,383)	+1.9
Gross profit	**9,398**	**7,791**	**+20.6**	**12,214**	**11,213**	**+8.9**
Loss before tax	**(18,872)**	**(26,802)**	**-29.6**	**(81,091)**	**(284,991)**	**-71.5**
Loss for the period/year	**(19,289)**	**(26,945)**	**-28.4**	**(81,843)**	**(285,206)**	**-71.3**

For the six months ended 30 June 2026

For the six months ended 30 June 2026, the Group's total revenue amounted to approximately RMB34.1 million, representing an increase of approximately 11.0% as compared with approximately RMB30.7 million for the corresponding period in 2025, which was mainly attributable to the increase in revenue from marble stone products, partially offset by the decrease in revenue from calcium carbonate products. The Group remained loss-making and recorded a loss for the period of approximately RMB19.3 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB26.9 million), after taking into account, among other things, administrative expenses of approximately RMB19.6 million and finance costs of approximately RMB9.4 million.

For the year ended 31 December 2025

For FY2025, the Group's total revenue amounted to approximately RMB73.8 million, representing a slight increase of approximately 3.0% as compared with approximately RMB71.6 million for FY2024. The Group recorded a loss for the year of approximately RMB81.8 million for FY2025, as compared with approximately RMB285.2 million for FY2024, which mainly included, among other things, administrative expenses of approximately RMB43.7 million, an impairment loss on property, plant and equipment of approximately RMB16.2 million and finance costs of approximately RMB18.3 million for FY2025, while the loss for FY2024 was mainly attributable to the one-off written-off of mining rights of approximately RMB234.1 million in respect of the Dejiang Mine following the rejection of the renewal application of its mining licence.

Set out below is a summary of the consolidated assets and liabilities of the Group as at 30 June 2026, and as at 31 December 2025 and 2024, respectively, as extracted from the 2026 Interim Report and the 2025 Annual Report respectively:

Table 2: Summarised financial position of the Group

	As at 30 June 2026	**As at 31 December 2025**	**As at 31 December 2024**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	(Audited)	(Audited)
Non-current assets	767,268	772,385	810,692
Current assets	163,796	167,533	188,944
Current liabilities	(162,054)	(157,134)	(163,582)
Net current assets	**1,742**	**10,399**	**25,362**
Non-current liabilities	(247,271)	(241,756)	(235,350)
Net assets	**521,739**	**541,028**	**600,704**
Gearing ratio (net debt divided by total equity)	45.2%	43.8%	34.9%

As at 30 June 2026, the Group's current assets amounted to approximately RMB163.8 million, which mainly included (i) prepayments, deposits and other receivables of approximately RMB108.7 million; and (ii) cash and bank balances of approximately RMB8.6 million.

As at 30 June 2026, the Group's current liabilities amounted to approximately RMB162.1 million, which mainly consisted of (i) other payables and accruals of approximately RMB74.5 million; and (ii) current interest-bearing bank and other borrowings of approximately RMB33.1 million. The Group's non-current liabilities amounted to approximately RMB247.3 million as at 30 June 2026, which mainly consisted of non-current interest-bearing bank and other borrowings of approximately RMB211.1 million, which included the First Loan and the Second Loan. The Group's

gearing ratio increased from approximately 34.9% as at 31 December 2024 to approximately 43.8% as at 31 December 2025 and further to approximately 45.2% as at 30 June 2026.

We note that the Group's net current assets have been declining, from approximately RMB25.4 million as at 31 December 2024 to approximately RMB10.4 million as at 31 December 2025, and further to approximately RMB1.7 million as at 30 June 2026. In addition, as further discussed in the section headed "2. Reasons for the Rights Issue and use of proceeds" below, the Group failed to pay the accrued interest under the First Loan which fell due on 30 September 2026, and the payment deadline for such accrued interest has been extended to 31 January 2027.

In summary, although the Group's revenue recorded mild growth, the Group remained loss-making throughout the periods under review, with high finance costs, rising gearing and a deteriorating liquidity position, while its net assets decreased from approximately RMB600.7 million as at 31 December 2024 to approximately RMB521.7 million as at 30 June 2026.

3. Reasons for the Rights Issue and use of proceeds

3.1 Reasons for the Rights Issue

As set out in the Board Letter, the Rights Issue is intended to address the Group's immediate funding requirements and to provide the Group with the funds necessary to: (i) settle the imminent accrued interest obligations under the First Loan and the Second Loan; (ii) reduce the risk of default, acceleration and enforcement; (iii) repay the higher-cost Second Loan; (iv) reduce the Group's overall indebtedness and finance costs; (v) improve the Group's liquidity and capital structure; and (vi) preserve sufficient funds for the Group's continuing operations.

The First Loan is an unsecured loan advanced to the Group by an independent third-party lender (the "**Lender**"). As at 30 June 2026, the total outstanding amount of the First Loan was approximately RMB112.71 million, comprising RMB111.00 million in principal and approximately RMB1.71 million in accrued interest. The First Loan bears interest at 3% per annum and is scheduled to mature on 30 September 2029 pursuant to the relevant loan agreement and supplemental agreement. Accrued interest under the First Loan was expected to amount to approximately RMB2.56 million as at 30 September 2026 and was originally due for payment on that date. The Second Loan is an unsecured loan advanced to the Group by a PRC individual (being an Independent Third Party), which was originally provided to finance the production and business operations owned by the Group and located in Yongfeng County, Jiangxi Province, the PRC. As at 30 September 2026, the outstanding amount of the Second Loan was approximately RMB25.73 million, comprising RMB19.80 million in principal and approximately RMB5.93 million in accrued interest. The Second Loan bears interest at 18% per annum and is scheduled to mature on 31 December 2027.

As set out in the Board Letter, the accrued interest under the First Loan, estimated at approximately RMB8.50 million in aggregate, fell due on 30 September 2026. Under the relevant loan documents, failure to pay the accrued interest under the First Loan by 30 September 2026 (further extended to 31 January 2027) would constitute an event of default in which event default interest would be chargeable at 18% per annum on the outstanding amount from 1 October 2026 and the Lender could be entitled to demand immediate repayment of the outstanding principal of RMB111.00 million, notwithstanding the scheduled maturity date of the First Loan of 30 September 2029.

However, the Group's operating cash flow did not improve as expected. In particular, the Group did not receive certain other receivables in the amounts or within the timeframes originally anticipated.

The Other Receivables arose primarily from the sale of marble products and marble raw-stone processing equipment to an independent third party, a limited liability company established in the PRC (the "**Relevant Debtor**"), under a contract (the "**Head Contract**") with an aggregate value of RMB42 million. The Head Contract, which was principally entered into in 2023, covered marble products with a value of RMB12 million and 14 pieces of marble raw-stone processing equipment with an aggregate value of RMB30 million, comprising (i) six 2.5-meter marble gang saws; (ii) six 2.0-meter marble gang saws; and (iii) two fully automatic marble polishing machines.

The Group entered into the Head Contract to sell part of its marble raw-stone processing equipment because it had surplus production capacity and a portion of its processing machinery was underutilised. Rather than allowing these idle machines to depreciate and incur wear and tear without generating returns, the Group considered it commercially sensible to realise their value through disposal, thereby reducing upkeep costs and strengthening the Group's working capital.

Under the Head Contract, the contract price was to be repaid in 21 monthly installments over two years, commencing in January 2024 and ending in December 2025. As at 31 December 2025, the Group had received approximately RMB9 million from the Relevant Debtor. Accordingly, the outstanding balance of the Other Receivables was approximately RMB33 million, comprising RMB12 million relating to the sale of marble products and RMB21 million relating to the sale of marble raw-stone processing equipment.

Although the Head Contract provided for monthly installments, the parties agreed that any outstanding amounts would be repayable on demand. Accordingly, the Group classified the outstanding receivables under the Head Contract as current in its financial statements.

Following negotiations and an assessment of the repayment arrangements, the parties entered into a supplemental agreement to the Head Contract in 2025. Under the supplemental agreement, the parties confirmed that the RMB12 million receivable arising from the sale of marble products was in default, and requested that the

Relevant Debtor repay it in due course. The parties also agreed to extend the repayment maturity of the RMB21 million receivable arising from the sale of marble raw-stone processing equipment to 30 June 2027, with repayment to be made in the following installments: (i) RMB7 million on 30 June 2026; (ii) RMB7 million on 31 December 2026; and (iii) the remaining RMB7 million on 30 June 2027.

The Group received only approximately RMB843,000 towards the first installment. From July 2026 up to the Latest Practicable Date, the Group received no further repayments from the Relevant Debtor. The outstanding balances are unsecured and interest-free. As at the Latest Practicable Date, the receivable arising from the sale of marble products remained RMB12 million, while the receivable arising from the sale of marble raw-stone processing equipment under the Head Contract was approximately RMB20.18 million.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Relevant Debtor and its ultimate beneficial owners are Independent Third Parties. Based on the information currently available to the Group, the delay in settlement was primarily attributable to the Relevant Debtor's decision to defer payments and extend the settlement periods for its accounts payable as part of its working capital and cash flow management.

Although the relevant agreements generally entitled the Group to demand immediate repayment, the Board considered it commercially appropriate to allow the Relevant Debtor additional time to settle the outstanding amounts before commencing formal legal proceedings. The Board approved this approach in August 2026.

In reaching its decision, the Board took into account the potential marble product sales transactions referred to by the Relevant Debtor and the agreed installment arrangements, which provided the Relevant Debtor with additional time and flexibility to arrange the necessary funds. The Board also considered the repayments received to date and the Relevant Debtor's plan and commitment to repay the RMB12 million receivable arising from the sale of marble products and to make the next installment payment in respect of the receivable arising from the sale of marble raw-stone processing equipment, including payment of the outstanding portion of the first installment.

The Relevant Debtor informed the Group that, after arranging its cash flow, it expected to repay the outstanding receivables on or before January 2027. The Board considered this indication together with the potential costs and time involved in enforcement proceedings. The Board also recognised that, although the Relevant Debtor had indicated its commitment to repay if given additional time, the timing and amount of any repayment remained dependent on the Relevant Debtor's cash flow and were outside the Group's control. At that time, the Group had been unable to obtain further repayment from the Relevant Debtor despite repeated demands. The Board therefore considered that allowing additional time could preserve the prospect of

recovering the outstanding amounts, whereas commencing enforcement proceedings immediately could involve substantial costs and delay without ensuring prompt recovery.

Based on the repayment schedule and its assessment of the Relevant Debtor's repayment capacity, the Board expected to recover the outstanding balance by January 2027. In 2025, the Group, the Relevant Debtor and the Lender entered into a tri-party undertaking agreement (the "**Undertaking**"). Under the Undertaking, the maximum amount covered is RMB23,027,008, being the full outstanding principal amount of the Other Receivables. The Undertaking provides for the Group to assign the relevant Other Receivables to the Lender, and for the Lender to accept that assignment and apply the relevant amount towards discharging part of the amount due under the First Loan, if any of the following circumstances occurs: (i) the Relevant Debtor fails to repay the Other Receivables in full upon expiry of the agreed repayment period; (ii) the Relevant Debtor undergoes bankruptcy, liquidation, dissolution or insolvency; (iii) the Relevant Debtor breaches other material agreements with the Group, resulting in the early maturity of the Other Receivables; or (iv) another circumstance mutually recognised by the Lender, the Group and the Relevant Debtor as triggering the arrangement occurs. Upon the occurrence of any of these circumstances, the Lender is obliged under the Undertaking to accept the assignment. The Undertaking does not provide security, a guarantee or other credit protection in respect of the Other Receivables. In addition, the assignment could at most discharge part of the First Loan and would not itself provide the funds needed to pay the accrued interest by its due date. The Group therefore could not rely on the Undertaking to meet its interest payment obligation or avoid the risk of default under the First Loan.

Due to the default in respect of the receivable arising from the sale of marble products under the Head Contract, the Group recognised a full impairment provision of RMB12 million against that receivable. In respect of the receivable arising from the sale of marble raw-stone processing equipment under the Head Contract, the Group recognised a general expected credit loss provision of approximately RMB5.03 million as at 31 December 2025, after taking into account the Undertaking.

The Board resolved that, if the Group did not receive the repayment expected in January 2027, it would consider taking further legal action, including serving a statutory demand on the Relevant Debtor to recover the outstanding receivables.

As at 31 August 2026, the Group's cash balance had decreased to approximately RMB8.80 million, representing a shortfall of approximately RMB1.78 million as compared with approximately RMB10.58 million projected in the cash flow forecast prepared by the Board at the time of the Company's share consolidation in June 2026 (which assumed that (i) the Company would receive approximately RMB7.00 million in repayment of other receivables in July 2026; (ii) the Group would incur operating cash outflows of approximately RMB485,000 per month during the second half of 2026; and (iii) the Group would incur finance costs of approximately RMB1.42 million per month during the second half of 2026), while the Group's expected operating cash outflows, including finance costs, have been revised upwards to

approximately RMB2.40 million per month from September 2026 to November 2026. This represents an increase of approximately RMB0.495 million per month compared with the amount projected in the previous cash flow forecast. Accordingly, the Group is not expected to have sufficient surplus funds to settle the accrued interest under the First Loan when it falls due on 30 September 2026 without adversely affective its liquidity and ability to maintain its ongoing operation.

As set out in the Board Letter, the Group failed to pay the accrued interest by 30 September 2026 due to cash flow constraints. On 10 July 2026, the Lender served a reminder letter to the Group that, upon the occurrence of an event of default or any other non-compliance under the relevant loan documents, including any delay in the payment of interest, the aforesaid default interest would be chargeable. The Group's management discussed the repayment arrangements with the Lender, which agreed to extend the payment deadline for the accrued interest to 31 January 2027. As further set out in the Board Letter, the Lender has provided the Group with a written confirmation of the extension. The extension allows the Group additional time to complete the Rights Issue, which is expected to be completed on or before the extended deadline 31 January 2027, and to apply the Net Proceeds towards settling the accrued interest by the extended due date. As further clarified in the Board Letter, the only potential event of default under the First Loan relates to the payment of the accrued interest; accordingly, no event of default has occurred and no default interest is presently chargeable under the extension. Accordingly, the Group considers the extended deadline effective based on the Zender's written confirmation.

In assessing the reliability of the extension, we have reviewed the relevant disclosures in the Board Letter and discussed the repayment arrangements with the management of the Group. We note that (i) following the publication of the Company's share consolidation circular in June 2026, the Lender commenced discussions with the Company regarding the Group's repayment plan, which culminated in the extension; (ii) the extension was given by the Lender unconditionally and free of any additional interest, fee or other conditions; (iii) the extended due date of 31 January 2027 falls after the expected completion of the Rights Issue on or before the extended deadline 31 January 2027, which would enable the accrued interest to be settled out of the Net Proceeds. On this basis, we consider the extension to be reliable for the purpose of the Rights Issue timetable.

If the Rights Issue does not complete, or if the Net Proceeds are insufficient to settle the accrued interest under the First Loan in full by 31 January 2027, an event of default will occur under the First Loan, the interest rate applicable to the outstanding principal will increase from 3% to 18% per annum with effect from 1 February 2027. Accordingly, if the Group fails to make payment by 31 January 2027, the aggregate amount in respect of which an event of default may occur will comprise the outstanding principal and accrued interest under the First Loan, which amounted to approximately RMB114.67 million as at 31 January 2027, and the Lender will be entitled to demand immediate repayment of the outstanding principal of RMB111.00 million, which the Group might be unable to meet from its internal resources and which might have a material adverse effect on the Group's liquidity and financial

position. If the Net Proceeds are sufficient to settle the accrued interest but insufficient to repay the First Loan and the Second Loan in full, no such event of default would occur by reason of non-payment of the accrued interest; however, the remaining loan balances would continue to bear interest (in the case of the Second Loan, at 18% per annum), and the Group might remain exposed to the repayment and refinancing risks discussed in the section headed "3.2 Use of proceeds" below, with the available Net Proceeds applied in accordance with the order of priority set out in that section.

We have also considered the alternative means available to the Group to settle the accrued interest by the extended due date, and note that, as discussed in the section headed "3.3 Fund-raising alternatives" below, the Group's internal resources are insufficient for such purpose and the Group has had continuing difficulty in obtaining debt financing or other refinancing. While, as disclosed in the Board Letter, the Company may explore other financing or fund-raising alternatives to address any shortfall, given the Group's financial position and the time required to implement any such alternative, there is no assurance that any such alternative would be available on a timely basis or on acceptable terms, or at all; accordingly, there is no realistic alternative means for the Group to avoid an event of default under the First Loan other than completing the Rights Issue. We consider that such consequences underscore the necessity of the Rights Issue.

In light of the Group's weaker-than-expected operating cash flow, deteriorating liquidity position, imminent repayment obligations and continuing difficulty in obtaining refinancing, the Directors consider that the Group's financial circumstances have materially changed since the publication of the Company's share consolidation circular in June 2026 (in which the Company stated that it had no intention to conduct any fundraising activities in the following 12 months), and that the Rights Issue is necessary to enable the Group to meet its imminent repayment obligations, avoid default and enforcement action and preserve sufficient liquidity for its continuing operations.

3.2 Use of proceeds

The estimated net proceeds from the Rights Issue, after considering all anticipated expenses and assuming there will be no changes to the total issued share capital of the Company on or before the Record Date, are projected to amount to approximately HK$200.35 million. This projection is based on the expectation that Qualifying Shareholders will fully subscribe to the Rights Shares or that any Unsubscribed Rights Shares will be successfully placed by the Placing Agent. The Directors intend to allocate the Net Proceeds as follows:

(i) approximately HK$163.23 million, representing approximately 81.47% of the Net Proceeds, for the repayment in full of (a) the First Loan of approximately RMB112.71 million (equivalent to approximately HK$132.89 million); and (b) the Second Loan of approximately RMB25.73 million (equivalent to approximately HK$30.34 million); and

(ii) approximately HK$37.12 million, representing approximately 18.53% of the Net Proceeds, for general and corporate administrative purposes of the Group, comprising (a) approximately HK$22.00 million for employee salaries and other personnel-related costs; (b) approximately HK$5.00 million for professional fees and other professional services; (c) approximately HK$3.00 million for rental expenses; and (d) approximately HK$7.12 million for other administrative and operating expenses. The allocation will help preserve the Group's operational liquidity, support its ongoing go-to-market activities, and enable the Group to expand its business while maintaining service quality and timely delivery.

Based on the current business plan, the Group anticipates that the proceeds will be fully utilised within 12 months following completion of the Rights Issue. The use of proceeds raised from the Rights Issue shall remain consistent with the aforementioned purposes upon the Completion.

As set out in the Board Letter, the above allocation is based on the outstanding amounts of the First Loan and the Second Loan (including accrued interest) as at the expected repayment date, and may be adjusted based on the amount of interest accrued up to the date of repayment. In the event that the Net Proceeds are lower than the amount currently expected, the Company intends to apply the available Net Proceeds in the following order of priority: first, to settle the accrued interest under the First Loan falling due on 30 September 2026 and the Second Loan which carries the higher interest rate; and thereafter, to repay the outstanding principal amount of the First Loan, subject to the amount of Net Proceeds available and the Group's working capital requirements.

The estimated expenses in connection with the Rights Issue, including the placing commission and professional fees, are approximately HK$4.43 million.

In assessing the necessity and commercial benefits of the proposed fundraising amount and the early repayment of the First Loan and the Second Loan, we have independently considered (i) the respective interest rates of the two loans; (ii) their contractual maturities; and (iii) the Group's continuing working-capital requirements, in each case based on the disclosures in the Board Letter and our discussions with the management of the Group, as elaborated below.

(i) Interest rates and contractual maturity: the First Loan bears interest at 3% per annum and the Second Loan at 18% per annum, the latter being at the high end of the range of interest rates of the Group's existing interest-bearing borrowings of approximately 2.80% to 24.00% per annum. The aggregate annual interest expense of the two loans of approximately RMB10.00 million is substantial relative to the Group's loss-making position and cash resources. Both rates exceed the prevailing one-month Hong Kong Interbank Offered Rate of approximately 2.75% as at 26 October 2026, such that retaining the loans while holding surplus cash would result in a negative carry for the Group, whereas early repayment in

full would eliminate this annual interest expense entirely. We emphasize that the contractual maturities regarding the accrued interest rated will be due on 31 January 2027, failure to repay will trigger an event of default under the First Loan, a step-up of its interest rate from 3% to 18% per annum and comprise the outstanding principal and accrued interest under the First Loan, which amounted to approximately RMB114.67 million as at 31 January 2027.

(ii) Continuing working-capital requirements: as discussed in the section headed "1. Background and financial information of the Group" above, the Group's net current assets declined from approximately RMB25.4 million as at 31 December 2024 to approximately RMB10.4 million as at 31 December 2025 and further to approximately RMB1.7 million as at 30 June 2026, while the Group remained loss-making with expected operating cash outflows of approximately RMB2.40 million per month as discussed in the section headed "3.1 Reasons for the Rights Issue" above. The allocation of approximately HK$38.16 million of the Net Proceeds for general and corporate administrative purposes is therefore necessary to preserve the Group's operational liquidity.

(iii) We also note that the Directors' opinion on the sufficiency of the Group's working capital, as set out in Appendix I to the Circular, is given after taking into account the estimated net proceeds from the Rights Issue: in the event of an under-subscription of the Rights Issue and taking into account the existing fund needs of the Group, the following two scenarios outline the minimum proceeds required to support the working capital sufficiency statement: (i) if the Group is able to pay the accrued interest of the First Loan on or before 31 January 2027, the interest rate applicable to the outstanding principal will remain at 3% per annum, the Group required RMB6.13 million to support the sufficiency of the Group's working capital position accordingly; (ii) if the Group fails to pay the accrued interest of the First Loan on or before 31 January 2027, an event of default will occur, and the interest rate applicable to the outstanding principal will increase from 3% to 18% per annum with effect from 1 February 2027, the Group required RMB18.62 million to support the sufficiency of the Group's working capital position accordingly; absent the Rights Issue, the continued operating cash outflows, together with the settlement of the accrued interest of approximately RMB8.50 million, would further erode the Group's net current asset position and could result in the Group falling into a net current liabilities position, which would adversely affect the Group's ability to meet its short-term obligations and to maintain its ongoing operations.

We note that the proposed fundraising amount is determined by reference to the aggregate outstanding amount of the First Loan and the Second Loan (including accrued interest) and the Group's estimated working-capital requirements, and is not in excess of such identified funding needs.

At the Subscription Price of HK$0.48 per Rights Share, the 3-for-1 allotment ratio is necessary to raise the required amount: by way of illustration, a rights issue on a 2-for-1 basis at the same Subscription Price would raise gross proceeds of only approximately HK$136.5 million, which would be insufficient to cover even the repayment in full of the First Loan and the Second Loan of approximately HK$162.19 million, let alone the Group's working-capital requirements. Conversely, a 2-for-1 rights issue raising the same gross proceeds would require a subscription price of approximately HK$0.72 per rights share, being a premium over the closing price of HK$0.710 per Share on the Last Trading Day, which would render the issue unmarketable; while a larger allotment ratio would raise proceeds in excess of the Group's identified funding needs and subject Shareholders to unnecessary dilution.

While non-participating Shareholders will experience dilution of up to approximately 75% to their shareholding interests, such dilution is mitigated by the tradable nil-paid rights and the Compensatory Arrangements (premium over the Subscription Price in the placing will be paid to non-participating Shareholders), as further discussed in the sections headed "4. Principal terms of the Rights Issue" and "5. Potential dilution to the shareholding of the Shareholders" below. Having weighed the potential dilution against the consequences of non-completion of the Rights Issue as set out in the section headed "3.1 Reasons for the Rights Issue" above, we consider that the above considerations support our conclusion that the 3-for-1 basis of the Rights Issue is fair and reasonable.

Having considered that (i) the repayment of the First Loan and the Second Loan would reduce the Group's finance costs, overall indebtedness and gearing, and reduce the Group's exposure to the risk of default interest and potential acceleration of the First Loan; and (ii) the allocation of part of the Net Proceeds for general working capital would preserve the Group's operational liquidity, we concur with the view of the Board that the proposed use of the Net Proceeds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3.3 Fund-raising alternatives

We have considered the Group's internal resources and alternative financing methods as summarised below:

(i) Internal resources: as at 30 June 2026, the Group's cash and bank balances amounted to approximately RMB8.6 million only and remained low at approximately RMB8.8 million as at 31 August 2026, which were insufficient to settle the accrued interest under the First Loan and the Second Loan of approximately RMB8.50 million which fell due on 30 September 2026 (as extended by the Lender as discussed in the section headed "2.1 Reasons for the Rights Issue" above) while maintaining adequate liquidity for the Group's ongoing operations. As the Group was loss-making for FY2025 and for the six months ended 30 June 2026, it is unlikely that the Group would be able to generate sufficient internal resources to meet its imminent repayment obligations in the near term.

(ii) Debt financing: the Group is already heavily indebted and loss-making. As at 30 June 2026, the Group's interest-bearing bank and other borrowings amounted to approximately RMB244.2 million in aggregate. As set out in the Board Letter, the Group's existing assets primarily comprise mining infrastructure and construction in progress relating to its mining business in the PRC, which may not be readily realisable or acceptable to financial institutions as collateral, such that the Group may be unable to obtain secured financing and may need to rely on unsecured or cash-backed facilities, if available, which may involve higher financing costs, more stringent terms or limited funding availability. Further debt financing would also increase the Group's gearing and interest burden and impose additional financial burden on the Group's future cash flow.

(iii) Placing of new Shares: a placing of new Shares would dilute the shareholding interests of the existing Shareholders without affording them the opportunity to participate in the fund-raising on a pro-rata basis, whereas the Rights Issue is offered to all Qualifying Shareholders on the same terms and in proportion to their existing shareholdings.

(iv) Open offer: Unlike an open offer, the Rights Issue enables the Qualifying Shareholders to sell their nil-paid rights in the market, and allows the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and continue to participate in the Company's future development.

Having weighed the above, we concur with the view of the Board that, in light of the Group's financial position and imminent repayment obligations, the Rights Issue represents the most practicable and appropriate means of financing available to the Group under the prevailing circumstances.

3.4 Fund-raising activities in the past twelve months

As set out in the Board Letter, the Company has conducted the following equity fund-raising activities in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement(s)	Fund-raising activity	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
5 December 2025 and 24 December 2025	Placing of new Shares under the general mandate (completed on 24 December 2025)	HK$24.77 million	(i) as to approximately HK$3.00 million for the general working capital of the Group; and (ii) as to approximately HK$21.77 million for repayment of the Group's current debts and interests	Fully utilised as intended

Under the above placing, the Company allotted and issued a total of 237,010,000 new Shares (prior to the Company's share consolidation which became effective on 2 July 2026) at the placing price of HK$0.106 per Share, and the net proceeds of approximately HK$24.77 million had been fully utilised as intended.

Save as disclosed above, the Company has not conducted any equity fund-raising activities in the past twelve months immediately preceding the Latest Practicable Date.

4. Principal terms of the Rights Issue

4.1 Terms of the Rights Issue

Below is a summary of the principal terms of the Rights Issue:

Basis of the Rights Issue	Three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date
Subscription Price	HK$0.48 per Rights Share (with a net subscription price of approximately HK$0.47 per Rights Share), payable in full on acceptance
Number of Shares in issue as at the Latest Practicable Date	142,210,462 Shares
Number of Rights Shares	426,631,386 Rights Shares (assuming there is no change to the total issued share capital of the Company on or before the Record Date)
Gross proceeds from the Rights Issue	Up to approximately HK$204.78 million before expenses (assuming there is no change to the total issued share capital of the Company on or before the Record Date and full acceptance of the Rights Issue by the Qualifying Shareholders)

Assuming that there is no change to the total issued share capital of the Company on or before the Record Date, the 426,631,386 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) 300% of the total issued share capital of the Company as at the date of the Announcement; and (ii) 75% of the total issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue. As at the Latest Practicable Date, the Company had no outstanding share options, warrants, convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the existing Shares in issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules, given that the Company has put in place the Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules. The Company has not received any information or irrevocable undertaking from any substantial Shareholder of its intention in relation to the Rights Shares to be provisionally allotted to it under the Rights Issue.

The Rights Issue is conditional upon: (i) the passing of the necessary resolutions by the Shareholders (or as the case may be, the Independent Shareholders) at the EGM approving, among other things, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Posting Date; (ii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong of the Prospectus Documents, in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, not later than the Posting Date; (iii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date; (iv) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully paid forms) by no later than the first day of their dealings; (v) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and (vi) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

For the condition (v) mentioned above, in the event of (i) all Rights Shares are fully taken up in the Rights Issue through valid applications under the PAL(s); or (ii) the compensatory placing is otherwise rendered unnecessary, the Placing Agreement shall be terminated or become non-completion. In either scenario, such termination of the Placing Agreement will not result in the failure or termination of the Rights Issue.

None of the above condition precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Monday, 25 January 2027 (or such later date as the Company may determine), the Rights Issue will not proceed.

4.2 The Subscription Price

The Subscription Price of HK$0.48 per Rights Share represents:

(i) a discount of approximately 25.00% to the closing price of HK$0.640 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 32.39% to the closing price of HK$0.710 per Share as quoted on the Stock Exchange on 2 October 2026, being the Last Trading Day;

(iii) a discount of approximately 32.68% to the average closing price of approximately HK$0.713 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;

(iv) a discount of approximately 33.01% to the average closing price of approximately HK$0.717 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day;

(v) a discount of approximately 10.82% to the theoretical ex-rights price of approximately HK$0.538 per Share, based on the closing price of HK$0.710 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.51%, which is calculated based on the benchmarked price of approximately HK$0.713 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days immediately prior to the Last Trading Day); and

(vii) a discount of approximately 88.62% to the audited consolidated net asset value per Share of approximately HK$4.22, based on the audited consolidated net asset value of the Group of approximately RMB541,028,000 (equivalent to approximately HK$599,945,949) as at 31 December 2025 and the number of Shares in issue as at the date of the Announcement (i.e. 142,210,462 Shares).

As set out in the Announcement, the Subscription Price was determined after arm's-length negotiation, based on, among other things, the prevailing market price of the Shares and the Group's financial condition, and was set at a level that would attract the Qualifying Shareholders to participate in the Rights Issue.

We note that the theoretical dilution effect of the Rights Issue of approximately 24.51% is below the 25% threshold under Rule 7.27B of the Listing Rules. Based on the analysis of recent comparable rights issues as set out in the section headed "Comparable analysis" below, we consider that the discounts represented by the Subscription Price are in line with the market practice.

4.3 Non-underwritten basis and the Compensatory Arrangements

The Rights Issue will proceed on a non-underwritten basis, irrespective of the level of acceptances of the provisionally allotted Rights Shares, and there is no minimum subscription level. As set out in the Announcement, the Company had approached securities firms to underwrite the Rights Issue, however, due to, among other things, the trading performance, trading volume and liquidity of the Shares, the uncertain level of Shareholder participation and the size of the fund-raising, the firms approached declined to provide underwriting support. In the event of under-subscription, any Unsubscribed Rights Shares will be placed by the Placing Agent under the Compensatory Arrangements, and any Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Pursuant to the Placing Agreement dated 2 October 2026, the Placing Agent will, on a best-effort basis, procure, during the period from Thursday, 7 January 2027 up to 4:00 p.m. on Wednesday, 20 January 2027, professional, institutional or other investors who (and whose ultimate beneficial owner(s)) are Independent Third Parties and not Shareholders, to subscribe for the Unsubscribed Rights Shares at a placing price of not less than the Subscription Price. The Placing Agent shall also ensure that the placees (together with their ultimate beneficial owners and parties acting in concert with any of them) will not hold in aggregate 30% or more of the voting rights of the Company immediately upon completion of the Rights Issue, such that none of the placees will be obliged to make a mandatory general offer under the Takeovers Code. Any premium over the Subscription Price realised from the Placing will be paid to the Qualifying Shareholders whose nil-paid rights are not validly applied for in full and the Non-Qualifying Shareholders (the "**No Action Shareholders**") on a pro-rata basis (save that individual amounts of less than HK$100 will be retained by the Company). The Placing Commission payable to the Placing Agent is 1.5% of the amount equal to the placing price multiplied by the total number of the Unsubscribed Rights Shares successfully placed by the Placing Agent, which was determined after arm's-length negotiation between the Placing Agent and the Company with reference to the prevailing market rate.

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlements may unwittingly incur an obligation to make a general offer under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the application of any Shareholder (except for HKSCC Nominees Limited) will be scaled down to a level which does not trigger a

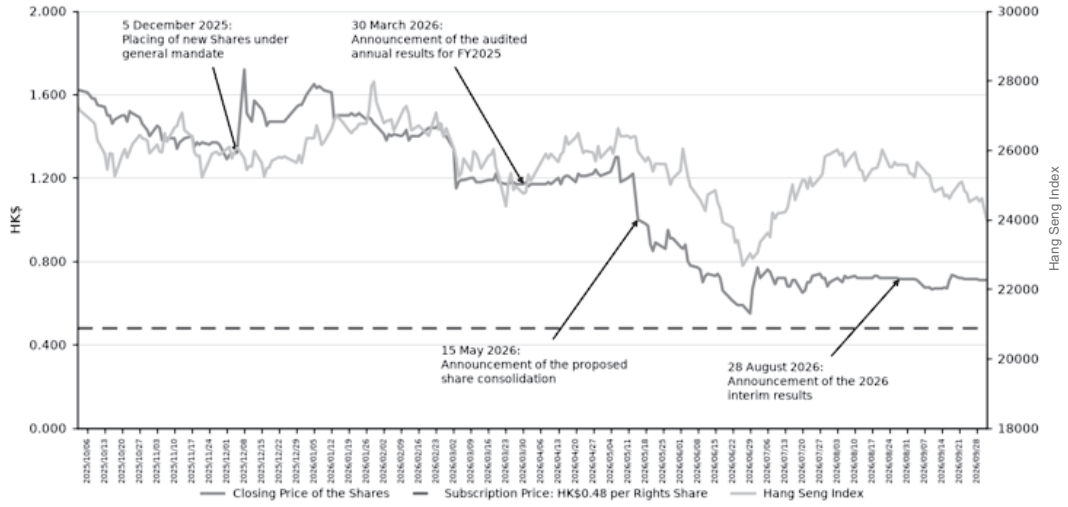
general offer obligation under the Takeovers Code, and the Company will ensure compliance with the public float requirements under the Listing Rules upon completion of the Rights Issue.

Taking into account that (i) the placing price under the Placing Agreement shall be not less than the Subscription Price, which is not prejudicial to the interests of the Qualifying Shareholders; (ii) the Subscription Price is fair and reasonable as analysed in the section headed "Comparable analysis" below; (iii) any premium over the Subscription Price realised from the Placing will be paid to the No Action Shareholders on a pro-rata basis; (iv) the Placing Commission is on normal commercial terms and is fair and reasonable as analysed in the section headed "Comparable analysis" below; and (v) the scaling-down mechanism described above protects the Shareholders from inadvertently incurring a general offer obligation under the Takeovers Code, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned. We have also reviewed the other major terms of the Placing Agreement, including but not limited to the conditions and termination provisions thereof, details of which are set out in the Board Letter, and we are not aware of any term which is unusual.

4.4 Historical Share price performance

In assessing the fairness and reasonableness of the Subscription Price, we have taken into account the daily closing price of the Shares as quoted on the Stock Exchange commencing on 2 October 2025 up to and including the Last Trading Day (the "**Review Period**"). We consider that such a period of approximately 12-month is adequate as it represents a reasonable period to provide a general overview of the recent price performance of the Shares. For illustrative purposes, the closing prices of the Shares prior to 2 July 2026 have been adjusted to reflect the share consolidation of the Company on the basis of every ten (10) shares of HK$0.01 each consolidated into one (1) Share of HK$0.1 each, which became effective on 2 July 2026. The following chart sets out the daily closing prices of the Shares on the Stock Exchange during the Review Period:

Chart: Historical closing prices of the Shares during the Review Period



Source: the website of the Stock Exchange

As illustrated in the chart above, during the Review Period, the Shares were traded within the range of HK$0.55 to HK$1.72 per Share with an average of approximately HK$1.12 per Share. The closing prices of the Shares were above the Subscription Price throughout the entire Review Period, with the lowest closing price of HK$0.55 per Share recorded on 29 June 2026, representing a premium of approximately 14.6% over the Subscription Price.

Upon reviewing the closing Share prices, we noted that the closing prices of the Shares were on a general downward trend, decreasing from HK$1.62 per Share on 2 October 2025 to HK$1.32 per Share on 5 December 2025, when the Company announced the placing of an aggregate of 237,010,000 new shares (prior to the share consolidation) under the general mandate at a placing price of HK$0.106 per share (equivalent to approximately HK$1.06 per Share as adjusted for the share consolidation), which was completed on 24 December 2025. Notwithstanding such placing, the closing price of the Shares surged to its peak of HK$1.72 per Share on 8 December 2025, being the first trading day immediately following the announcement of the placing. After our discussions with the Company and our review of the Company's announcements, we are unaware of any events or information that led to such a surge.

Following the peak, the Share prices showed a general decreasing trend with fluctuations. On 30 March 2026, the Company announced its annual results for the year ended 31 December 2025, the closing Share prices remained relatively stable at approximately HK$1.17 to HK$1.21 per Share immediately before and after such announcement, and the annual results did not appear to have any material impact on the Share price. On 15 May 2026, the Company announced the proposed share consolidation, which became effective on 2 July 2026. The Share price continued its downward trend and reached its lowest point of HK$0.550 per Share on 29 June 2026. During the period

from mid-May to late June 2026, the Hang Seng Index also decreased by approximately 11.3%, indicating that the decline in the Share price during such period was partly attributable to the overall market downturn.

Thereafter, the closing Share prices stabilised and fluctuated between approximately HK$0.68 and HK$0.77 per Share during July and August 2026. On 28 August 2026, the Company announced its interim results for the six months ended 30 June 2026; the closing Share prices remained relatively stable at approximately HK$0.71 per Share following such announcement, and the interim results did not appear to have any material impact on the Share price. The Share price closed at HK$0.71 per Share on the Last Trading Day. Apart from the above events, we noted that the movement of the closing Share prices was generally in line with the downward direction of the overall market as reflected by the Hang Seng Index, which decreased by approximately 12.1% during the Review Period, while the more pronounced decline in the Share price of approximately 56.2% over the Review Period is, in our view, consistent with the Group's deteriorating financial performance and liquidity position as discussed in the section headed "1. Background and financial information of the Group" above.

Given that the closing prices of the Shares were above the Subscription Price throughout the entire Review Period, the Subscription Price, which was set at a discount to the prevailing market price of the Shares, would enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue. The level of such discount is further assessed in the section headed "Comparable analysis" below.

4.5 Historical trading volume and liquidity analysis

In order to understand the market demand for the Shares, we have studied the trading liquidity of the Shares. The following table sets out the total trading volume and average daily trading volume of the Shares, as well as the percentage of the average daily trading volume of the Shares to the total number of issued Shares for each month during the Review Period:

Table 3: Trading Liquidity of the Shares

Year	**Month**	**Number of trading days** *(days)*	**Average daily volume** *(Shares)*	**% of average daily trading volume to total issued Shares** *(Note)* *(%)*
2025	October	20	838,795	0.0708%
	November	20	141,250	0.0119%
	December	21	1,601,248	0.1126%
2026	January	21	588,667	0.0414%
	February	17	223,118	0.0157%
	March	22	464,500	0.0327%
	April	19	686,868	0.0483%
	May	19	886,403	0.0623%
	June	21	922,133	0.0648%
	July	22	376,132	0.2645%
	August	21	45,605	0.0321%
	September	22	349,161	0.2455%
	October (up to and including the Last Trading Day)	1	68,000	0.0478%
Minimum				0.0119%
Mean				0.0808%
Maximum				0.2645%

Source: the website of the Stock Exchange

Note: Based on the number of issued Shares at the end of each respective month with reference to the published monthly returns of the Company. The share consolidation of the Company became effective on 2 July 2026 whereby every ten (10) issued and unissued shares of HK$0.01 each in the share capital of the Company were consolidated into one (1) Share of HK$0.10 each. There were 1,185,094,620 issued shares as at the end of each of October and November 2025, 1,422,104,620 issued shares as at the end of each month from December 2025 to June 2026, and 142,210,462 issued Shares as at the end of each month from July 2026 to October 2026.

As illustrated in the above table, the average daily trading volume of the Shares per month to the total issued Shares ranged from approximately 0.0119% to approximately 0.2645%, with an average of approximately 0.0808% during the Review Period.

We noted from the above table that the liquidity of the Shares was thin during the Review Period, with the average daily trading volume of the Shares below 0.27% of the total issued Shares for all months during the Review Period. Given the thin trading volume of the Shares, we consider that the Company is unlikely to be able to raise equity funds without offering a discount to the prevailing Share price.

4.6 Comparable analysis

To further assess the fairness and reasonableness of the Subscription Price, we have considered rights issues conducted by companies listed on the Main Board of the Stock Exchange announced during the 12-month period from 2 October 2025 up to and including the Last Trading Day (the "**Comparable Review Period**"). The Comparables (as defined below) were selected on the basis that (i) they were conducted by companies listed on the Main Board of the Stock Exchange; (ii) they were announced during the Comparable Review Period, which we consider to provide a reasonable and adequate sample size to reflect the prevailing market practice regarding rights issue transactions; and (iii) save for the exclusion of open offers (which do not entitle the shareholders to trade their nil-paid entitlements in the market) and issues with a bonus or whitewash-waiver element, the pricing considerations of which are fundamentally different, there was no artificial selection or filtering on our part, ensuring that the Comparables represent a fair reference to the recent market trends on rights issue transactions conducted by other issuers listed on the Stock Exchange. Nonetheless, it should be noted that the issue ratio of the Comparables, as well as the market capitalisation, industry, financial performance and funding needs of the companies which conducted the Comparables, may not be the same as those of the Company and we have not conducted any investigation into these aspects. Accordingly, we have prepared the Comparables here only for cross-checking purposes. Set out below is a fair and exhaustive list of the 63 rights issues (the "**Comparables**") we were able to identify based on the aforementioned selection criteria during the Comparable Review Period:

Table 4: Analysis of the Comparables

Date of announcement	Company (stock code)	Basis	Discount to closing price on the last trading day (%)	Discount to 5-day average price (%)	Discount to theoretical ex-rights price (%)	Premium/ (discount) to net asset value per share (%)	Theoretical dilution effect (%)	Underwritten (Yes/No)	Placing commission (%)
02/10/2025	CNewEcon Fund (80)	1-for-2	29.29	27.23	21.70	660.87	9.70	No	—
03/10/2025	Macau Legend (1680)	1-for-2	45.45	44.44	36.17	(88.46)	15.79	Yes	—
09/10/2025	CCIAM Future En (145)	1-for-2	18.62	19.05	13.07	(6.13)	6.63	No	0.54
15/10/2025	Winshine Sci (209)	7-for-1	23.50	24.30	4.10	—	21.10	Yes	—
15/10/2025	Synertone (1613)	2-for-1	35.71	35.71	15.63	(43.75)	23.81	No	1.00
22/10/2025	Crocodile (122)	1-for-2	22.68	22.44	16.34	(92.50)	7.56	No	—
24/10/2025	IRC (1029)	1-for-2	16.39	17.21	12.17	(61.10)	9.76	Yes (non-fully)	1.25
24/10/2025	Sandmartin Intl (482)	1-for-1	(2.70)	9.00	—	—	5.99	No	—
02/11/2025	KNT Holdings (1025)	1-for-1	9.09	10.71	4.76	48.15	9.39	No	3.00
12/11/2025	Domaine Power (442)	1-for-2	17.44	15.88	12.35	65.12	5.81	No	—
19/11/2025	Silkwave Inc (471)	3-for-1	31.06	32.29	10.13	(62.81)	24.51	No	—
21/11/2025	Crownicorp (727)	3-for-1	19.75	26.14	5.80	(44.85)	19.53	No	—
11/12/2025	Hang Yick Hldgs (1894)	4-for-1	28.13	27.67	7.26	(85.35)	22.50	No	1.00
12/12/2025	Shun Wo Group (1591)	1-for-3	6.70	3.40	—	(60.00)	1.67	No	—
30/12/2025	Wanjia Group (401)	1-for-1	31.62	27.27	18.78	(33.33)	15.81	No	2.00
02/01/2026	HKC Int'l Hold (248)	1-for-2	25.50	25.50	18.60	(79.10)	8.50	No	—
13/01/2026	EPI (Holdings) (689)	2-for-1	17.10	21.57	8.57	(76.88)	14.38	Yes (non-fully)	—
14/01/2026	Jutal Oil Ser (3303)	1-for-6	69.23	69.35	66.10	(85.13)	9.92	No	1.00
14/01/2026	Anchorstone (1592)	4-for-1	42.86	39.81	8.57	Net liabilities	24.00	No	1.25
15/01/2026	Shanghai Growth (770)	3-for-8	60.00	60.00	52.19	47.44	16.33	No	1.00
26/01/2026	Kwan On Hldgs (1559)	1-for-2	17.65	15.05	12.50	79.09	5.88	No	—
29/01/2026	Add New Energy (2623)	1-for-2	37.66	34.81	—	65.02	(12.55)	No	—
05/02/2026	Ta Yang Group (1991)	2-for-1	2.44	4.53	0.83	352.66	4.80	No	—
16/02/2026	Xinming China (2699)	6-for-1	20.00	20.00	—	—	17.14	No	2.00
06/03/2026	Kingland Group (1751)	1-for-3	0.00	2.30	3.10	1,875.00	1.00	No	3.00
09/03/2026	HP Living Tech (1682)	1-for-1	27.97	27.72	16.26	(22.73)	13.98	No	1.00
25/03/2026	Alco Holdings (328)	4-for-1	20.30	24.20	4.80	—	21.00	No	1.50
26/03/2026	Zhongshenjianye (2503)	2-for-1	33.63	35.18	14.45	(72.22)	23.45	No	0.50
27/03/2026	CN Health Tech (1069)	2-for-1	20.63	19.35	7.98	(54.79)	13.76	No	4.00
14/04/2026	FEG Holdings (1413)	1-for-2	28.67	31.63	21.13	(67.97)	11.25	No	1.00
16/04/2026	Pashun Int'l (574)	1-for-2	72.88	69.04	64.18	Net liabilities	24.29	No	1.00
29/04/2026	Minerva Group (397)	1-for-2	19.10	17.70	12.60	(91.80)	8.50	No	3.50
05/05/2026	Citychamp (256)	1-for-3	(31.60)	(28.20)	(19.00)	(88.90)	Nil	No	1.50
12/05/2026	MTT Group (2350)	2-for-5	64.29	65.01	57.10	1.85	18.65	No	2.20
21/05/2026	MOG Digitech (1942)	1-for-2	54.55	56.95	46.85	(90.05)	18.98	No	1.00
26/05/2026	Harbour Digital (913)	3-for-2	19.10	20.90	—	(84.40)	12.80	No	3.00
28/05/2026	APAC Resources (1104)	1-for-2	33.49	35.50	25.14	(63.24)	11.87	Yes (non-fully)	—
29/05/2026	FDB Holdings (1826)	1-for-2	20.60	1.20	14.80	—	6.90	No	3.50
05/06/2026	Gaodi Holdings (1676)	1-for-2	12.44	12.44	9.00	(51.90)	4.31	No	0.75
11/06/2026	HK.AI Capital (1140)	1-for-2	18.50	24.70	17.90	(93.50)	8.20	No	0.25
15/06/2026	Asian Citrus (73)	3-for-1	28.13	31.82	8.91	—	23.86	No	1.00
18/06/2026	CMON (1792)	3-for-1	14.74	19.80	6.25	—	15.79	No	2.50
18/06/2026	China Wood Int (1822)	1-for-1	43.80	44.84	28.03	5.48	22.42	No	1.50
23/06/2026	Imperium Tec Gp (776)	1-for-2	66.67	67.24	65.00	Net liabilities	22.34	No	3.00
24/06/2026	Biosysen (1355)	1-for-2	51.43	50.29	41.38	Net liabilities	17.14	No	1.50
14/07/2026	Capital Ind Fin (730)	1-for-1	(0.81)	1.26	(0.40)	(65.82)	1.10	No	2.00
15/07/2026	Flowing Cloud (6610)	4-for-1	24.05	24.24	5.96	(93.66)	19.39	No	1.00
16/07/2026	PINE Tech (1079)	1-for-2	41.18	42.31	31.82	221.20	14.32	No	—
17/07/2026	Uni Health (2211)	4-for-1	4.76	7.19	1.00	(87.95)	5.75	No	3.00
23/07/2026	King Intl Inv (928)	2-for-1	31.51	25.60	13.29	288.41	13.29	No	1.50
24/07/2026	Yuk Wing Group (1536)	3-for-1	27.01	28.06	8.26	(68.45)	21.99	No	1.00
29/07/2026	Easyhold Group (1703)	1-for-1	48.98	47.03	32.43	265.47	24.49	No	1.50

Date of announcement	Company (stock code)	Basis	Discount to closing price on the last trading day (%)	Discount to 5-day average price (%)	Discount to theoretical ex-rights price (%)	Premium/ (discount) to net asset value per share (%)	Theoretical dilution effect (%)	Underwritten (Yes/No)	Placing commission (%)
03/08/2026	Zhengwei Group (2147)	6-for-1	28.57	28.57	5.41	(92.87)	24.49	No	1.50
12/08/2026	Alpha Pro Hldgs (948)	1-for-1	19.68	10.71	11.11	203.03	9.64	No	—
17/08/2026	AI Energy Eng (1751)	2-for-5	7.80	8.32	6.95	1,525.00	2.71	No	3.00
27/08/2026	Litian Pictures (9958)	4-for-1	22.13	22.76	5.57	Net liabilities	18.21	No	1.00
27/08/2026	HK Robotics (370)	1-for-2	22.20	19.50	16.00	(4.50)	7.41	Yes	—
01/09/2026	China Env Tec (646)	6-for-1	21.61	21.34	3.80	Net liabilities	18.52	No	3.00
07/09/2026	Long Inv Corp (2312)	1-for-2	0.00	(1.28)	0.00	9.72	Nil	No	—
10/09/2026	Moon Inc. (1723)	1-for-2	39.77	39.64	30.63	(61.34)	13.26	No	2.00
16/09/2026	Bright Future (1351)	3-for-1	28.99	27.01	9.23	(29.25)	21.75	No	0.50
22/09/2026	Grand Ocean AR (65)	7-for-1	(9.80)	(7.69)	(0.72)	(32.04)	Nil	No	1.00
29/09/2026	Green Power GP (1870)	1-for-4	32.40	38.10	27.70	3.76	8.19	Yes	—
Maximum			**72.88**	**69.35**	**66.10**	**1,875.00**	**24.51**		**4.00**
Minimum			**(31.60)**	**(28.20)**	**(19.00)**	**(93.66)**	**(12.55)**		**0.25**
Average			**25.94**	**26.12**	**17.23**	**71.61**	**13.55**		**1.70**
Median			**23.50**	**24.70**	**12.43**	**(48.38)**	**13.87**		**1.50**
02/10/2026	**The Rights Issue of the Company (3313)**	**3-for-1**	**32.39**	**32.68**	**10.82**	**(88.62)**	**24.51**	**No**	**1.50**

Source: the website of the Stock Exchange

Notes:

1. Figures in parentheses represent a premium of the relevant subscription price over the relevant benchmark price, save for (i) the column of premium/(discount) over/to the net asset value per share, where figures in parentheses represent a discount of the relevant subscription price to the net asset value per share of the relevant Comparable; and (ii) the column of theoretical dilution effect, where a figure in parentheses represents a negative theoretical dilution effect as the relevant subscription price represented a premium over the relevant benchmarked price. "—" denotes that the relevant information is not disclosed in the relevant announcement or not applicable to the relevant Comparable. "Net liabilities" denotes that the relevant Comparable recorded consolidated net liabilities as at its latest reporting date, and the premium/(discount) of its subscription price over/to its net asset value per share is therefore not meaningful.

2. Where the discount to the theoretical ex-rights price, the theoretical dilution effect and/or the premium/(discount) of the subscription price over/to the net asset value per share was not explicitly disclosed in the relevant announcement, it has been calculated based on the subscription price, the closing price on the last trading day, the allotment ratio and/or the consolidated net asset value per share as disclosed in the relevant announcement.

As illustrated in the above table, the discounts of the subscription prices of the Comparables to the respective closing prices of their shares on the last trading day ranged from a premium of approximately 31.60% to a discount of approximately 72.88%, with an average discount of approximately 25.94% and a median discount of approximately 23.50%. The discount of approximately 32.39% represented by the Subscription Price to the closing price of the Shares on the Last Trading Day is therefore within the range of the Comparables, albeit slightly above both the average and the median of the Comparables. The discount of approximately 32.68% represented by the Subscription Price to the average closing price of the Shares for the five consecutive trading days immediately prior to the Last Trading Day is also within the range of the Comparables,

which ranged from a premium of approximately 28.20% to a discount of approximately 69.35%, with an average discount of approximately 26.12% and a median discount of approximately 24.70%.

More importantly, the discount of approximately 10.82% represented by the Subscription Price to the theoretical ex-rights price of the Shares is within the range of the Comparables, which ranged from a premium of approximately 19.00% to a discount of approximately 66.10%, and is below both the average of approximately 17.23% and the median of approximately 12.43% of the Comparables. As the Rights Issue is made to all Qualifying Shareholders on a pro-rata basis and the Qualifying Shareholders are compensated by tradable nil-paid rights for any discount in the Subscription Price, we consider the discount to the theoretical ex-rights price to be the more relevant pricing benchmark, against which the Rights Issue is priced more favourably to the Qualifying Shareholders than the average and the median of the Comparables.

The Subscription Price represents a discount of approximately 88.62% to the audited consolidated net asset value per Share of approximately HK$4.22 as at 31 December 2025. The subscription prices of the Comparables represent premiums/(discounts) over/to their respective consolidated net asset values per share ranging from a discount of approximately 93.66% to a premium of approximately 1,875.00%, with an average premium of approximately 71.61% and a median discount of approximately 48.38%. After excluding Kingland Group Holdings Limited (currently known as AI Energy Engineering Holdings Limited) (1751) as outliers, the subscription prices of which represented exceptionally high premiums of approximately 1,875.00% and approximately 1,525.00% over its consolidated net asset value per share, the premium/(discount) of the subscription prices of the remaining Comparables over/to their respective consolidated net asset values per share ranged from a discount of approximately 93.66% to a premium of approximately 660.87%, with an average premium of approximately 3.76% and a median discount of approximately 53.34%.

Given that (i) the Shares were traded at a substantial discount to the net asset value per Share as at the Last Trading Day; and (ii) the net asset values per share of the Comparables vary significantly depending on their respective industries, asset composition and financial position, we consider the comparison against net asset value per share to be a less meaningful benchmark than the market price benchmarks discussed above. In any event, the discount represented by the Subscription Price to the net asset value per Share is within the range of the Comparables and is comparable to those of Flowing Cloud Technology Ltd (6610) and Zhengwei Group Holdings Company Limited (2147), the subscription prices of which represented discounts of approximately 93.66% and approximately 92.87% to their respective consolidated net asset values per share, respectively.

The theoretical dilution effects of the Comparables (save for three Comparables with nil theoretical dilution effect, the subscription prices of which represented premiums over their respective benchmarked prices) ranged from approximately (12.55)% to approximately 24.51%, with an average of approximately 13.55% and a median of approximately 13.87%. The theoretical dilution effect of the Rights Issue of

approximately 24.51% is therefore within the range of the Comparables, albeit at the high end, being equal to the maximum of the Comparables, and remains below the 25% threshold under Rule 7.27B of the Listing Rules.

Notwithstanding the relatively high theoretical dilution effect, taking into account the Company's financial circumstances, including the consequences of non-completion of the Rights Issue as set out in the section headed "3. Reasons for the Rights Issue and use of proceeds" above, and the mitigants available to non-participating Shareholders, we consider the relatively high theoretical dilution effect to be acceptable and the terms of the Rights Issue to be commercially fair and reasonable.

In respect of deal structure, 56 out of the 63 Comparables (representing approximately 88.9%) were conducted on a non-underwritten basis, indicating that the non-underwritten structure of the Rights Issue is in line with the prevailing market practice. The Placing Commission of 1.5% is equal to the median of the placing commissions of the Comparables and below the average of approximately 1.70% of the Comparables. Among the 43 Comparables which involved a placing of unsubscribed rights shares, the placing commissions ranged from approximately 0.25% to approximately 4.00%. Accordingly, we consider that the Placing Commission is on normal commercial terms and is fair and reasonable.

Having considered that (i) while the discounts represented by the Subscription Price to the closing price and the average closing prices of the Shares are slightly above the average and the median discounts of the Comparables, they, together with the discount represented by the Subscription Price to the net asset value per Share, are within the range of the Comparables; (ii) the discount to the theoretical ex-rights price is below both the average and the median of the Comparables; (iii) the theoretical dilution effect, albeit at the high end of the range of the Comparables, is below the 25% threshold under Rule 7.27B of the Listing Rules; (iv) the non-underwritten structure and the placing commission are consistent with market practice; and (v) the Rights Issue is offered to all Qualifying Shareholders on the same terms and in proportion to their existing shareholdings, with the right to trade their nil-paid entitlements in the market, we consider that the Subscription Price and the terms of the Rights Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

5. Potential dilution to the shareholding of the Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue, assuming (a) all Qualifying Shareholders take up their respective entitlements in full ("**Scenario 1**"); and (b) none of the Qualifying Shareholders takes up his/her/its entitlements and all Unsubscribed Rights Shares are successfully placed by the Placing Agent under the Placing ("**Scenario 2**"), in each case assuming there will be no change to the total issued share capital of the Company on or before the Record Date:

Shareholders	**As at the Latest Practicable Date**		**Scenario 1**		**Scenario 2**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*	*No. of Shares*	*Approximate %*
Wu Jing *(Note 1)*	655,685	0.46	2,622,740	0.46	655,685	0.12
Qiu Yuyuan *(Note 1)*	600,000	0.42	2,400,000	0.42	600,000	0.11
Heifeng Casado Co., Limited	27,300,064	19.20	109,200,256	19.20	27,300,064	4.80
Xu Xiaodong	13,800,000	9.70	55,200,000	9.70	13,800,000	2.42
The Placees	—	—	—	—	426,631,386	75.00
Public Shareholders	99,854,713	70.22	399,418,852	70.22	99,854,713	17.55
Total	**142,210,462**	**100.00**	**568,841,848**	**100.00**	**568,841,848**	**100.00**

Notes:

1. Ms. Wu Jing and Mr. Qiu Yuyuan are executive Directors.

2. Scenario 2 is for illustrative purposes only. The Company will take all appropriate steps to ensure that sufficient public float is maintained in compliance with Rule 13.32B of the Listing Rules.

As illustrated above, Qualifying Shareholders who take up their entitlements under the Rights Issue in full will not suffer any dilution to their shareholding interests in the Company. Qualifying Shareholders who do not take up their entitlements in full and the Non-Qualifying Shareholders may have their shareholding interests in the Company diluted by up to approximately 75%, depending on the level of acceptance under the Rights Issue. We note that the Rights Issue is offered to all Qualifying Shareholders on the same terms and in proportion to their existing shareholdings, and Qualifying Shareholders who do not wish to take up their entitlements may sell their nil-paid rights in the market during the dealing period. In addition, under the Compensatory Arrangements, any premium over the Subscription Price realised from the placing of the Unsubscribed Rights Shares will be paid to the No Action Shareholders on a pro-rata basis. Nevertheless, Independent Shareholders should note that any dilution to their shareholding interests arising from not taking up their entitlements under the Rights Issue cannot be fully compensated by the sale of nil-paid rights or the Compensatory Arrangements.

6. Financial effects of the Rights Issue

6.1 Working capital

As set out in the 2026 Interim Report, the cash and bank balances of the Group amounted to approximately RMB8.6 million as at 30 June 2026. Upon completion of the Rights Issue, approximately HK$38.16 million of the estimated Net Proceeds will be applied as general working capital of the Group, and the repayment in full of the First Loan and the Second Loan will eliminate the annual interest expense on the two loans. Accordingly, the liquidity and working capital position of the Group will be improved upon completion of the Rights Issue.

6.2 Net asset value

As at 30 June 2026, the Group's unaudited consolidated net assets amounted to approximately RMB521.7 million. Assuming that the Rights Issue had been completed on that date, the Group's unaudited adjusted consolidated net assets would be increased to approximately RMB169.94 million (equivalent to approximately HK$200.35 million).

6.3 Gearing

As at 30 June 2026, the gearing ratio of the Group (net debt divided by total equity) was approximately 45.2%. Upon completion of the Rights Issue, the First Loan and the Second Loan, which amounted to approximately RMB137.6 million in aggregate based on the outstanding amounts as at the expected repayment date, will be repaid in full and the capital base of the Group will be enlarged by the Net Proceeds. Accordingly, the gearing ratio of the Group will be significantly improved upon completion of the Rights Issue.

Based on the above analysis, we consider that the Rights Issue will have an overall positive effect on the Group's working capital, net asset value and gearing position, which further supports our view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration of the above principal factors and reasons, we are of the view that (i) the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable; and (ii) the Rights Issue and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder. We also recommend the Independent Shareholders to vote in favour of the relevant resolution at the EGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited
Charles Li*
Managing Director

For identification purpose only

* *Mr. Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for each of the three financial years ended 31 December 2023, 2024 and 2025 were disclosed in the annual reports of the Company for the years ended 31 December 2023, 2024 and 2025 respectively; and (ii) for six months ended 30 June 2026 was disclosed in the interim report of the Company for six months ended 30 June 2026. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.artgo.cn). Please refer to the hyperlinks as stated below:

2023 annual report (pages 53 to 128):
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902001.pdf

2024 annual report (pages 48 to 122):
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400516.pdf

2025 annual report (pages 46 to 118):
https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0424/2026042402993.pdf

2026 interim report (pages 4 to 20):
https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0910/2026091000668.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness as summarised below:

	RMB'000
Secured and guaranteed:	
Bank borrowings	44,162
Unsecured and unguaranteed:	
Bank borrowings	12,718
Secured and guaranteed:	
Other borrowings	34,700
Unsecured and unguaranteed:	
Other borrowings	151,398
	242,978

Save as aforesaid or otherwise disclosed herein, and apart from intragroup liabilities and normal trade payables in the ordinary course of business, as at the close of business on 30 September 2026, the Group did not have any debt securities issued and outstanding, and authorised or created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, loans, liabilities under acceptances (other than

normal trade bills), acceptance credits, other recognised lease liabilities, lease commitments, hire purchase commitments, mortgages or charges, contingent liabilities or guarantees outstanding.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the Rights Issue (assuming the Rights Issue are fully subscribed), the Group has sufficient working capital for its present requirements for at least the twelve (12) months from the date of this circular in the absence of any unforeseen circumstances.

Subject to the fulfilment of the Conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and without a minimum subscription level. In the event of an under-subscription of the Rights Issue and taking into account the existing fund needs of the Group, the following two scenarios outline the minimum proceeds required to support the working capital sufficiency statement:

(i) If the Group is able to pay the accrued interest of the First Loan on or before 31 January 2027, the interest rate applicable to the outstanding principal will remain at 3% per annum, the Group required RMB 6.13 million to support the sufficiency of the Group's working capital position accordingly.

(ii) If the Group fails to pay the accrued interest of the first Loan on or before 31 January 2027, an event of default will occur, and the interest rate applicable to the outstanding principal will increase from 3% to 18% per annum with effect from 1 February 2027, the Group required RMB 18.62 million to support the sufficiency of the Group's working capital position accordingly.

In the event of the net proceeds from the Rights Share does not reach the respective minimum levels stated above, the Group will explore alternative financing options (for example, bank borrowings or subscriptions for new shares). These measures reduce execution risk and preserve the Company's ability to meet critical obligations.

4. MATERIAL ADVERSE CHANGES

As at 30 September 2026, the cash and bank balance level of the Group recorded as RMB8.09 million, represent a decrease of approximately RMB2.97 million as compared to the cash and bank balance level of approximately RMB11.06 million as at 31 December 2025, which was mainly attributable to (i) aweaker-than-expected operating cash flow; (ii) imminent interest payment obligations and (iii) continuing difficulty in obtaining refinancing.

Save as disclosed above, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the business of production and sales of calcium carbonate products, mining, processing and sale of marble stones and warehousing and logistics.

The year 2025 marked a gradual yet uneven transition for the Group as China's economy began to show more visible signs of recovery following a prolonged period of adjustment. Stabilisation measures introduced in 2025, including moderate monetary easing, selective property-sector support, and incremental infrastructure spending, all helped to restore confidence in certain downstream markets, though overall demand remained fragile. Against this backdrop, the Group maintained a disciplined operating approach, focusing on optimizing working capital, strengthening customer relationships, and improving cost efficiency across operations. While the business environment continued to pose challenges, selective improvement in industrial and regional markets provided considerable growth opportunities.

Marble Products Business

In 2025, the marble products business showed tentative recovery as part of the real estate and commercial renovation markets regained modest momentum, particularly in cities where government-supported projects resumed. Developers' liquidity remained tight but gradually improved through restructuring progress and partial access to new credit facilities. The Group's revenue from marble stone products increased to approximately RMB7.1 million, representing a growth of approximately 163.0% compared to RMB2.7 million in 2024. The rebound reflected both a low-based effect and the Group's strategic focus on low-margin projects. However, competition remained intense, and pricing pressure persisted throughout the year.

Apart from the marble stone business, our downstream marble-based calcium carbonate business remained the Group's principal earnings contributor in 2025. Revenue from this segment declined to approximately RMB64.6 million, representing a decrease of about 4.3% as compared with RMB67.5 million in 2024. Notwithstanding persistently elevated raw material and energy costs, the Group was able to maintain relatively stable profit margins through ongoing productivity enhancement and stringent cost control measures at its production facilities. Looking ahead, management remains cautiously optimistic that continued policy support for the manufacturing and construction sectors will underpin moderate growth prospects for this segment in 2026.

Rejection of Mining License Renewal Application

Guizhou County Dejiang SanXin Stone Co., Ltd. ("**Guizhou Dejiang**"), a wholly-owned PRC subsidiary of the Group, received a notification dated 29 December 2024 from the Natural Resources and Planning Bureau of Dejiang County ("**Dejiang Natural Resources Bureau**") in Guizhou Province that Dejiang Natural Resources Bureau has decided to reject the application for the renewal of mining license of the mine held by Guizhou Dejiang ("**Dejiang Mine**"). Therefore, Guizhou Dejiang has to write off the mining right of Dejiang Mine, resulting in a loss of approximately RMB234.1 million in

2024. In response, the management of Guizhou Dejiang has resubmitted the renewal application for the mining license of Dejiang Mine. Subsequently, the management of Guizhou Dejiang continued to follow up on the renewal status. However, as at the date of this Annual Report, the renewal application remains pending and the management of Guizhou Dejiang has not received any affirmative feedback in this regard. Taking into consideration the commercial feasibility of the renewal, the Group has determined that it is in the best interest of the Group not to commit additional resources in pursuing the renewal of the mining license of Dejiang Mine (details are set out in the Company's announcement dated 21 January 2026).

Warehouse Logistics Business

In December 2019, the Group decided to abandon its warehouse logistics segment and started disposal negotiations, which were delayed by the COVID-19 pandemic. By December 2021, no agreement was reached, leading to the assets no longer being classified as held for sale due to market uncertainties. The potential buyer withdrew from negotiations in the fourth quarter of 2022 due to economic uncertainties.

In 2025, the Group's revenue from warehouse logistics segment amounted to approximately RMB2.0 million, representing an approximately 42.9% increase, as compared to approximately RMB1.4 million in 2024. The Group remains committed in relation to the original disposal plan and will continue to seek other potential buyers. Further announcement(s) will be made if there is any progress.

The following unaudited pro forma financial information of ArtGo Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") has been prepared by the Directors of the Company in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 June 2026. The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only and is based on the judgements, estimates and assumptions of the Directors. Given its hypothetical nature, it may not give a true picture of the Group's consolidated net tangible assets attributable to the owners of the Company as at 30 June 2026 or at any future date.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

(All amounts are expressed in RMB'000, except per share data)

	Consolidated net tangible assets attributable to owners of the Company as at 30 June 2026 *RMB'000 (Note 1)*	**Estimated net proceeds from the Rights Issue** *RMB'000 (Note 2)*	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company** *RMB'000 (Note 1 + 2)*	**Net tangible assets attributable to owners of the Company per Share before completion of the Rights Issue** *RMB (Note 3)*	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Rights Issue** *RMB (Note 4)*
Based on 426,631,386 Rights Shares at a subscription price of HK$0.48 per Rights Share	347,737	169,946	517,683	2.4452	0.9101

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 are based on the consolidated net assets of the Group attributable to owners of the Company of approximately RMB428,156,000, after deducting intangible assets of approximately RMB80,419,000 as at 30 June 2026, resulting in approximately RMB347,737,000, as extracted from the published interim report of the Group for the six months ended 30 June 2026.

2. The estimated net proceeds from the Rights Issue of approximately HK$200,364,913 (equivalent to approximately RMB169,945,512) are based on 426,631,386 Rights Shares to be issued on the basis of three Rights Shares for every one existing Share held by the qualifying shareholders on the record date, at the subscription price of HK$0.48 per Rights Share and after deducting estimated related expenses of approximately HK$4,418,153 (equivalent to approximately RMB3,747,389). The Rights Issue is offered to qualifying shareholders and is not available to non-qualifying shareholders. All Rights Shares are assumed to be subscribed for or successfully placed. Placing commission is calculated at 1.5% on the assumed successfully placed shares at the placing price; the maximum-expense assumption is that all 426,631,386

Rights Shares are placed at HK$0.48. The expense estimate retains a provisional provision for issuer-side placing levies and trading fees, whose applicability remains subject to confirmation; ordinary rights subscriptions are not used as the chargeable base. Amounts denominated in HK$ are translated into RMB at HK$1 = 0.84818 at 30 June 2026. The Rights Issue is on a non-underwritten basis.

3. The consolidated net tangible assets of the Group attributable to owners of the Company per Share before completion of the Rights Issue are calculated by dividing approximately RMB347,737,000, as disclosed in note 1 above, by 142,210,462 Shares on a post-consolidation basis. The actual number of Shares in issue as at 30 June 2026 was 1,422,104,625. For comparability with the Rights Issue, the per Share calculations use the post-consolidation share count, reflecting the ten-to-one share consolidation effective on 2 July 2026; 142,210,462 is not the actual pre-consolidation share count at 30 June 2026.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue per Share are determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 for the Rights Issue of approximately RMB517,682,512, divided by 568,841,848 Shares, comprising 142,210,462 existing Shares on a post-consolidation basis and 426,631,386 Rights Shares to be issued immediately after completion of the Rights Issue, assuming that the Rights Issue had taken place on 30 June 2026.

5. Save for the Rights Issue and the share consolidation reflected in the per Share calculations, no adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2026.

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

TO THE DIRECTORS OF ARTGO HOLDINGS LIMITED
(Incorporated in Cayman Islands with limited liability)

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of ArtGo Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") prepared by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2026 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out in Appendix II to the circular issued by the Company dated 19 November 2026 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Circular on the Group's consolidated net tangible assets attributable to owners of the Company as at 30 September 2026 as if the Rights Issue had taken place at 30 September 2026. As part of this process, information about the Group's consolidated net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group's consolidated management accounts as at 30 September 2026 provided by the Company, as described in Note 1.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

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

Reporting Accountants' Responsibilities

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

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

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

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2026 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

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

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

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

BOFA CPA Limited
Certified Public Accountants

Hong Kong, 19 November 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the 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. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately after the Completion (assuming the Increase in Authorised Share Capital having been effective and there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion and full acceptance by Qualifying Shareholders) were as follows:

(a) As at the Latest Practicable Date:

Authorised:		*HK$*
3,000,000,000.0	Shares of HK$0.1 each	300,000,000
Issued and fully paid:		
142,210,462	Shares of HK$0.1 each	14,221,046

(b) Immediately after the Completion (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion and full acceptance by Qualifying Shareholders):

Authorised:		*HK$*
3,000,000,000	Shares of HK$0.1 each	300,000,000
Issued and fully paid:		
568,841,848	Shares of HK$0.1 each	56,884,184

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

Neither part of the share capital nor any other securities of the Company are listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the Shares

Name of Directors	Capacity/Nature of Interest	Number of Shares interested	Approximate percentage of the total issued share capital of the Company
Ms. Wu Jing	Beneficial Owner	655,685	0.46%
Mr. Qiu Yuyuan	Beneficial Owner	600,000	0.42%

(b) Interests of substantial Shareholders and other person

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, there is one person (other than a Director or chief executive of the Company), had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO, who were, directly or indirectly, interested in 5% or more of the number of any class of share carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital, disclosed as follows:

Name of Directors	Capacity/Nature of Interest	Number of Shares interested	Approximate percentage of the total issued share capital of the Company
Yang Haobo	Interest in Controlled Corporation *(Note 1)*	27,300,064	19.20%
Andes Global Investment Group Limited	Interest in Controlled Corporation *(Note 1)*	27,300,064	19.20%
Andes Global Financial Investment Limited	Interest in Controlled Corporation *(Note 1)*	27,300,064	19.20%
Heifeng Casado Co. Limited	Beneficial Owner	27,300,064	19.20%
Xu Xiaodong	Beneficial Owner	13,800,000	9.70%

Note 1: These 27,300,064 shares were held by Heifeng Casado Co. Limited, which is in turn owned by Andes Global Financial Investment Limited, which is in turn wholly owned by Andes Global Investment Group Limited, which is in turn wholly owned by Yang Haobo. Accordingly, Yang Haobo was deemed to be interested in these 27,300,064 shares of the Company by virtue of the SFO.

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

As at the Latest Practicable Date, (a) none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025 (being the date to which the latest published audited accounts of the Group were made up); and (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.

5. LITIGATION

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

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholder of the Company nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed pursuant to the Listing Rules.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material:

(i) the Placing Agreement.

(ii) the placing agreement dated 5 December 2025 entered into between the Company and Kingkey Securities Group Limited as the placing agent in respect of the placing of a total of 237,010,000 new Shares;

(iii) the repayment arrangement agreement for the Other Receivables entered into between the Group and a PRC limited liability on 21 July 2025, an Independent Third Party in respect of the repayment schedule of the Other Receivables; and

(iv) The extension agreement of the Second Loan agreement entered between the Group and a PRC individual, an Independent Third Party on 29 December 2024, in respect of the extension of the maturity date of the Second Loan to 31 December 2027.

9. EXPERTS AND CONSENTS

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

Name	Qualification
BOFA CPA Limited	Certified Public Accountant
Pelican Financial Limited	A corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the above experts have given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above experts confirmed that they (a) did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and (b) were not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including placing commission and professional fees payable to financial advisers, legal adviser, reporting accountants, financial printer and other parties involved in the Rights Issue are estimated to be approximately HK$4.43 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors

Executive Directors:
Ms. Wu Jing *(Joint-Chairman and Acting Chief Executive Officer)*
Mr. Tsai Yu Shen *(Joint-Chairman)*
Mr. Wan Jian
Mr. Qiu Yuyuan

Non-executive Director:
Mr. Gu Zengcai

Independent Non-executive Directors:
Ms. Lung Yuet Kwan
Mr. Hui Yat On
Mr. Zhai Feiquan

Audit Committee:
Ms. Lung Yuet Kwan *(Committee Chairman)*
Mr. Hui Yat On
Mr. Zhai Feiquan

Remuneration Committee:
Mr. Hui Yat On *(Committee Chairman)*
Ms. Wu Jing
Mr. Gu Zengcai
Ms. Lung Yuet Kwan

Nomination Committee:
Mr. Hui Yat On *(Committee Chairman)*
Ms. Wu Jing
Mr. Zhai Feiquan

Investment Committee:
Ms. Wu Jing (Committee Chairman)
Mr. Gu Zengcai
Mr. Hui Yat On

Registered office

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

Principal place of business in the PRC	Room I, 13/F No. 728 Yan'an West Road Changning District Shanghai, PRC New Material Industrial Park Teng Tian Town Yongfeng County Ji'an City Jiangxi Province, China
Principal place of business in Hong Kong	Room C2, Office A, 14/F Bangkok Bank Building 28 Des Voeux Road Central Central, Hong Kong
Authorised representatives	Mr. Qiu Yuyuan Mr. Zhao Zhipeng Room C2, Office A, 14/F Bangkok Bank Building 28 Des Voeux Road Central Central, Hong Kong
Company Secretary	Mr. Zhao Zhipeng
Principal share registrar and transfer office in the Cayman Islands	**Conyers Trust Company (Cayman) Limited** Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	**Computershare Hong Kong Investor Services Limited** Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Principal bankers	**Agricultural Bank of China** Shanghai Changping Road Branch 818 Xikang Road Jing'an District Shanghai PRC

	Bank of Communications Co., Ltd. Hong Kong Branch No. 20 Pedder Street Central Hong Kong
Legal adviser to the Company	**Patrick Mak & Tse** Rooms 901–905, 9th Floor Wing On Centre 111 Connaught Road Central, Hong Kong
Auditor	**Suya WWC CPA Limited** Certified Public Accountants Registered Public Interest Entity Auditor Unit 4, 27th Floor Wu Chung House 213 Queen's Road East Wanchai, Hong Kong
Reporting accountant	**BOFA CPA Limited** Room 1607, 16th floor Tower 3, Phase 1 Enterprise Square 9 Sheung Yuet Road Kowloon Bay, Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	**Pelican Financial Limited** 28/F, Lee Garden Two 28 Yun Ping Road Causeway Bay, Hong Kong
Placing Agent	**Arta Asset Management Limited** Unit 3A, 9/F K11 ATELIER King's Road 728 King's Road Quarry Bay Hong Kong
Financial Adviser to the Company	**Diligent Capital Limited** Room 2203, 22/F New World Tower 1 16–18 Queen's Road Central Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

a) Biographical details of Directors

Executive Directors

Ms. Wu Jing (伍晶) ("**Ms. Wu**"), aged 41, has been appointed as the executive Director on 9 March 2016 and is currently chairman of the Board and acting chief executive officer of the Company. Ms. Wu is also responsible for promotion and marketing affairs of the Company. Ms. Wu has more than 10 years' experience in corporate brand management. In 2010, Ms. Wu founded a management consulting firm, which provided consultancy services in relation to brand promotion, sales and public relations to the local and overseas organizations and corporations since February 2010, including but not limited to Information Services Department of The Government of the Hong Kong Special Administrative Region of the People's Republic of China, Hong Kong Tourism Board, Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, DTZ Holdings PLC, Sinopec (Hong Kong) Limited, Suning Commerce Group Co., Ltd., Powerchina Resources Ltd.. In June 2008, Ms. Wu obtained her bachelor degree in biological technology from Wuhan University. She then obtained her master of science degree in environmental engineering from the Hong Kong University of Science and Technology and her master degree in industrial engineering and logistics management from the University of Hong Kong in November 2009 and November 2010, respectively. In 2015, she was awarded the "Ten Outstanding New Hong Kong Young Persons (十大傑出新香港青年)". She is currently the standing director of Jiangsu Women Association* (江蘇聯會婦女會) and the director of Jiangsu Youth Association* (江蘇青年總會). Save as disclosed above, Ms. Wu did not hold directorship in any listed public companies in the past three years.

Mr. Tsai Yu Shen (蔡又申) ("**Mr. Tsai**"), aged 42, has been appointed as the executive Director and Joint-Chairman of the Board on 30 September 2024. Mr. Tsai has extensive experience in financial management, investment and capital markets. Mr. Tsai holds a Master of Science degree and is a Certified Public Accountant in the United States. Mr. Tsai joined Saili Precision Limited* (賽利精密有限公司) in 2012 and has held various management positions since joining the company and currently serves as the company's general manager. Save as disclosed above, Mr. Tsai did not hold any directorship in any listed companies in the past three years.

Mr. Wan Jian (萬堅) ("**Mr. Wan**"), aged 50, has been appointed as the executive Director on 15 January 2021. Mr. Wan has extensive experience in the construction industry particularly in the construction material field. He was also familiar with stone products processing and their related application on construction projects. Mr. Wan does not hold any other position with the Company and/or other members of the Company and its subsidiaries. As of the Latest Practicable Date, save as disclosed above, he does not hold any other major appointment and has not held any position or directorship in any other listed public companies in the past three years.

Mr. Qiu Yuyuan (邱宇元) ("**Mr. Qiu**"), aged 48, has been appointed as the executive Director on 13 May 2025. Mr. Qiu obtained a bachelor's degree in accounting from Jimei University (集美大學) in 2000 and was qualified as a National Intermediate Accountant (中級會計師) in the PRC in 2005. In 2009, Mr. Qiu was qualified as a Credit Manager (信用管理師) in the PRC. Mr. Qiu has over 15 years of experience in accounting, financial management and credit management. Prior to joining the Group in September 2011, he has held various management positions in Xiamen Overseas Chinese Electronic Co., Ltd., Xiamen Tsann Kuen Corporation Limited, and Lenovo Mobile Communication Technology Limited from August 2000 to February 2005, from March 2005 to March 2006, and from March 2006 to April 2010, respectively, and was in charge of financial auditing, business process reengineering, credit management and financial analysis in those companies. From March 2011 to January 2017, Mr. Qiu served as the deputy general manager of various subsidiaries of the Group. Currently, Mr. Qiu is in charge of the Group's financial planning, financial budget and management issues. As of the Latest Practicable Date, save as disclosed above, Mr. Qiu did not hold any directorship in any listed companies in the past three years.

Non-executive Directors

Mr. Gu Zengcai (顧增才) ("**Mr. Gu**"), aged 63, was appointed as a non-executive director of the Company on 8 June 2016. He graduated from the Industrial Accounting Department of Jiangsu Radio and Television University in 1986, holding a college degree, and is a Certified Public Accountant and auditor in China. Mr. Gu previously served as deputy section chief and section chief of the finance department at Yancheng Printing and Dyeing Factory in Jiangsu Province; as head of the audit department and manager of the finance department at Zhuhai Port Co., Ltd. (stock code: 000507.SZ), a company listed on the A-share market; and as director of Zhuhai Huayin Urban Credit Cooperative. At Zhuhai Huarun Bank Co., Ltd. (formerly known as Zhuhai City Commercial Bank), he held positions including branch president and assistant to the president of the Head Office, during which he concurrently served as general manager of the head office's planning and funding department, general manager of the finance and accounting department, director of the policy research center, and general manager of the credit management department. Additionally, Mr. Gu served as chief accountant and deputy general manager of Zhuhai Jiuzhou Holdings Group Co., Ltd., and as an executive director and Vice Chairman of the Board of Zhuhai Holdings Investment Group Limited (formerly known as Jiuzhou Development Co., Ltd.) (stock code: 00908.HK), a company listed on the Hong Kong Stock Exchange, from October 2003 to August 2012. He also previously served as an independent director of GCL System Integration Technology Co., Ltd. (stock code: 002506.SZ), an A-share listed company. Currently, Mr. Gu serves as an executive director of Shanghai Hengfu Sanchuan Equity Investment Co., Ltd., vice president of GCL Group Co., Ltd., an executive director of GCL New Energy Holdings Ltd. (stock code: 00451.HK), a director of GCL Energy Technology Co., Ltd. (stock code: 002015.SZ), and an

independent director of Shenzhen Jianyi Decoration Group Co., Ltd (stock code: 002789.SZ). As of the Latest Practicable Date, save as disclosed above, Mr. Gu did not hold any directorship in the past 3 years in any other listed companies.

Independent non-executive Directors

Ms. Lung Yuet Kwan (龍月群) ("**Ms. Lung**"), aged 60, has been appointed as independent non-executive Director of the Company on 1 June 2017. Ms. Lung has over 20 years of professional experience in auditing, accounting and financial management for both private and listed corporations. Ms. Lung joined as executive vice president of the finance department of Ground International Development Limited (formerly known as "China Motion Telecom International Limited", a company listed on the Stock Exchange with stock code 0989) since December 2005 and acted as the chief financial officer, company secretary and the authorised representative of Ground International Development Limited for the period from November 2013 to February 2016. Ms. Lung holds a bachelor degree in business from Monash University, Australia. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Save as disclosed above, Ms. Lung did not hold any directorship in the past 3 years in any listed companies.

Mr. Hui Yat On (許一安) ("**Mr. Hui**"), aged 67, has been appointed as independent non-executive Director of the Company on 8 June 2016, and is chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee of the Company. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor degree in business administration in December 1982. In November 2004, Mr. Hui obtained a master degree in professional accounting from Hong Kong Polytechnic University. Mr. Hui has become a member of the Hong Kong Institute of Certified Public Accountants in December 1986. He is also a member of the Hong Kong Chiu Chow Chamber of Commerce. Mr. Hui has previously served as the executive director and senior executive of several Hong Kong listed companies. He was appointed as an independent non-executive director of Enterprise Development Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code 1808, in the period of 11 January 2021–20 September 2021. He was appointed on 10 June 2021, as an independent non-executive director of China Financial Leasing Group Limited, a company listed on the Main Board of the Stock Exchange with stock code 2312. Save as disclosed above, Mr. Hui did not hold any directorship in the past 3 years in any other listed companies. Mr. Hui has more than three decades of experiences in the field of corporate finance and financial services.

Mr. Zhai Feiquan (翟飛全) ("**Mr. Zhai**"), aged 47, has been appointed as independent non-executive Director of the Company on 20 July 2020. Mr. Zhai holds a bachelor's degree in marketing from Guangxi University. Mr. Zhai has more than 20 years' experience in stone products sales and export as well as mines operations and processing of marble stone. He has rich experience in marketing and brands building of a variety of marble stones. Mr. Zhai does not hold any other position

with the Company and/or other members of the Company and its subsidiaries. Save as disclosed above, he does not hold any other major appointment and has not held any position or directorship in any other listed public companies in the past three years.

b) Biographical details of Senior Management

Mr. Zhang Jiyan (張繼燕) ("**Mr. Zhang**"), aged 55, is currently the deputy manager of the technology and quality research department and the deputy chief of the building preparatory group for the stone processing plant of the Company, where he is responsible for supervising mining and stone processing, as well as identifying processing contractors and coordinating the specific preparatory efforts for building the Company's own stone processing plant. He has more than 20 years of experience in marble processing and quality control and before joining the Company, he worked for various marble processing and trading companies including, among others, Xiamen Yongwen Stone Materials Factory* (廈門市永文石材廠), Baodeli Stone Materials Factory* (廈門市開元區包德力石板材廠), Fujian Shuitou Shijing Yongxing Stone Materials Factory* (福建水頭石井永興石材廠) (now known as Fuji an Quanzhou Huayi Stone Materials Limited* (福建省泉州市華益石材有限公司) and Zhangzhou Riquan Inspection Centre* (漳州日泉檢品中心), a subsidiary of Xiamen Riquan Trading Company* (廈門日泉貿易公司). During which, Mr. Zhang obtained experience in coordinating and guiding exploration and mining, which has enabled him to communicate and work effectively with the senior managers at the mines. He had also been involved in the development of a series of professional guidelines including raw material quality standards and slab quality standards, whereby the quality of the raw materials from mines, which are required at the processing stage, is strictly under control to ensure the best cutting quality from such raw materials for the purpose of an optimal production-sales relationship and a maximized use of stone resources. Mr. Zhang joined the Company in August 2011 when he was involved in the total management, operations and product quality control at the then newly acquired Yongfeng Mine. Subsequently, he acted as a key executive in charge of production and sales coordination and quality control, during which, he equipped with his professional competence in manufacturing processes and technologies and in both the national and the international quality control standards, closely supervised, guided and, on a continuing basis, improved the exploration, extraction and production process of contractors from the perspective of marketability, customer satisfaction and technical application. Mr. Zhang has administered stringent control over the quality of raw materials, semi-finished goods and final products of the Company having regard to market demand and product positioning. At the same time, Mr. Zhang formulates strategies and optimal improvement plans in line with market demand and in doing so, he has produced good results from the coordination efforts in production and sales.

Mr. Jiang Shikui (蔣世奎) ("**Mr. Jiang**"), aged 46, is currently the Chief Operation Officer of the Company. Mr. Jiang joined the Group in 2016 and he has over 10 years of experience in stone industry, including the field of mining processing, production management, quality control, technology development, market development and marketing management.

c) Business address of the Directors and the senior management of the Company

The business address of the Directors, the senior management and authorised representatives is the same as the Company's head office and principal place of business in Hong Kong located at Room C2, Office A, 14/F Bangkok Bank Building, 28 Des Voeux Road Central, Central, Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "**Audit Committee**") comprised three independent non-executive Directors, namely, Ms. Lung Yuet Kwan, Mr. Hui Yat On and Mr. Zhai Feiquan. The Audit Committee is chaired by Ms. Lung Yuet Kwan. The Audit Committee is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

14. DOCUMENTS ON DISPLAY

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

(i) the annual reports of the Company for the financial years ended 31 December 2023, 2024 and 2025 respectively, and the interim report of the Company for six months ended 30 June 2026;

(ii) the letter from the Board, the text of which is set out on pages 7 to 37 of this circular;

(iii) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 38 of this circular;

(iv) the letter of advice from Independent Financial Adviser, the text of which is set out on pages 39 to 70 of this circular;

(v) the independent reporting accountants' assurance report on the unaudited pro forma financial information of the Group set out in Appendix II to this circular;

(vi) the material contracts disclosed in the paragraph under the heading "8. Material Contracts" in this Appendix to this circular; and

(vii) the written consents of the experts referred to in the section headed "9. Experts and Consents" in this Appendix.

15. MISCELLANEOUS

a. As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

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

c. The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

ARTGO HOLDINGS LIMITED
雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of ArtGo Holdings Limited (the "**Company**") will be held at Units 5906–12, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Friday, 4 December 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT** conditional upon: (i) The Stock Exchange of Hong Kong Limited granting or agreeing to grant (subject to allotment) and not having revoked the listing of and permission to deal in the Rights Shares (as defined below) to be allotted and issued to the shareholders of the Company (the "**Shareholder(s)**") pursuant to the terms and conditions of the Rights Issue (as defined below); and (ii) the Placing Agreement (as defined below) becoming unconditional and not being terminated in accordance with its terms:

   (a) the issue by way of rights issue (the "**Rights Issue**") of up to 426,631,386 ordinary shares (the "**Rights Share(s)**") at the subscription price of HK$0.48 per Rights Share to the qualifying shareholders (the "**Qualifying Shareholders**") of the Company whose names appear in the register of members of the Company on the date (the "**Record Date**") by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the "**Non-Qualifying Shareholders**") with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of three (3) Rights Shares for every one (1) share of the Company then held on the Record Date at the subscription price of HK$0.48 per Rights Share and otherwise on the terms and conditions set out in the Circular be and is hereby approved;

(b) the placing agreement (the "**Placing Agreement**") dated 2 October 2026, entered into among the Company and Arta Asset Management Limited (a copy of which has been produced to the EGM marked "A" and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified.

Subject to the resolution (1)(a) being passed by the Shareholders at this EGM, and in the event of (i) all Rights Shares are fully taken up in the Rights Issue through valid applications under the PAL(s); or (ii) the compensatory placing is otherwise rendered unnecessary, the Placing Agreement shall be terminated or become non-completion. In either scenario, such termination of the Placing Agreement will not result in the failure or termination of the Rights Issue.

(c) the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Directors may (i) make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as they may deem necessary, desirable or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and (ii) not offer for application under forms of excess application for any Rights Shares provisionally allotted but not accepted; and

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

By order of the Board
ArtGo Holdings Limited
Qiu Yuyuan
Executive Director

Hong Kong, 19 November 2026

Notes:

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the circular of the Company dated 19 November 2026 (the "**Circular**") shall have the same meanings when used in this notice.

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

3. The register of members of the Company will be closed from Tuesday, 1 December 2026 to Friday, 4 December 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the extraordinary general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 30 November 2026.

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

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

6. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

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

8. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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

10. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the Company's website at www.artgo.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.

11. As at the date hereof, the executive Directors are Ms. Wu Jing, Mr. Tsai Yu Shen, Mr. Wan Jian, and Mr. Qiu Yuyuan; the non-executive Director is Mr. Gu Zengcai; and the independent non-executive Directors are Ms. Lung Yuet Kwan, Mr. Hui Yat On, and Mr. Zhai Feiquan.