

15 April 2026

To the Shareholders

Dear Sir/Madam,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE HELD ON
THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
(II) PLACING AGREEMENT UNDER THE COMPENSATORY
ARRANGEMENTS;
AND
(III) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

References are made to the Rights Issue Announcement and the announcement of the Company dated 19 March 2026 in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of (a) the Rights Issue; and (b) the Placing Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee 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; (iv) other information required under the Listing Rules; and (v) a notice convening the SGM.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK\$66.80 million (assuming no change in the number of Shares in issue on or before the Record Date) by issuing up to 785,927,000 Rights Shares at the Subscription Price of HK\$0.085 per Rights Share on the basis of one (1) Rights Share for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date.

Details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.085 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	785,927,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 785,927,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to HK\$7,859,270.0 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	1,571,854,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Approximately HK\$66.80 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	Approximately HK\$64.90 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date)

Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) : Approximately HK\$0.083 per Rights Share (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date)

Rights of excess application and underwriter : There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.

Compensatory Arrangements : Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements.

Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

At the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert into or exchange for Shares.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 785,927,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

The Company has not received any irrevocable commitments to accept or reject the Rights Issue as at Latest Practicable Date.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent places on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are 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 are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement 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 the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

As at the Latest Practicable Date, the Board has not received any information or undertaking from any substantial shareholders of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

Subscription Price

The Subscription Price is HK\$0.085 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 32.00% to the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 27.97% to the closing price of HK\$0.118 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 27.72% to the average of the closing prices of HK\$0.1176 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 28.27% to the average of the closing prices of approximately HK\$0.1185 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 16.26% to the theoretical ex-rights price of approximately HK\$0.1015 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.118 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 13.98% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.1015 per Share and the benchmarked price of HK\$0.118 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.118 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1174 per Share); and
- (vii) a discount of approximately 22.73% to the unaudited consolidated net asset value per Share of approximately HK\$0.11 (based on the latest published unaudited consolidated net asset value of the Company of HK\$87,274,000 as at 30 September 2025 and 785,927,000 Shares in issue as at 28 February 2026).

Determination of the Subscription Price

The Subscription Price was determined by the Company with reference to, among others, (i) the recent closing prices of the Shares; (ii) prevailing market conditions and financial position of the Group; and (iii) the reasons as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” below in this circular.

The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price and the consolidated net asset value per Share as illustrated above, taking into consideration the recent decreasing trend of the market price per Share since January 2026. During the period from 1 January 2026 to the Last Trading Day, the closing price per Share fell steadily from HK\$0.190 on 2 January 2026 to HK\$0.118 on the Last Trading Day, representing a decrease of approximately 37.89%. The Board believes that setting the Subscription Price at or close to the prevailing market level would be less likely to attract sufficient subscriptions from existing Shareholders to raise the intended proceeds.

In addition, during the six months prior to and including the Last Trading Day, the Company’s average daily trading volume (i.e., 475,376 Shares, calculated based on the total trading volume divided by the total number of days during the six months prior to and including the Last Trading Day) represented merely approximately 0.061% of the total issued share capital of the Company, which implied thin trading liquidity of the Shares in market.

Under the prevailing market circumstances and economic sentiment and with reference to (i) the recent market performance of the Shares and the Company’s average daily trading volume during the six months prior to and including the Last Trading Day as illustrated above, which indicated a lack of liquidity and demand for the Shares; and (ii) the recent business performance and financial position of the Group, especially the Group’s loss-making position for the six months ended 30 September 2025, the Directors consider that it would be commercially reasonable to set a subscription price lower than the prevailing market price and the consolidated net asset value per Share as illustrated above in order to increase the attractiveness of the Rights Issue and motivate the Qualifying Shareholders and investors to engage in the Rights Issue.

In view of the above, and having considered that all the Qualifying Shareholders will be offered an equal opportunity to subscribe for the Rights Shares by way of provisional allotment, the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue and the Placing Agreement, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board considers that it is fair and reasonable to set the Subscription Price lower than the prevailing market price to promote the attractiveness of the Rights Issue and motivate the Qualifying Shareholders and investors to engage in the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing of all necessary resolution(s) by the Independent Shareholders at the SGM to approve, among others, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (iii) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares by no later than the first day of their dealings;
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (vi) compliance with the requirements under the applicable laws and regulations of Hong Kong and Bermuda.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. As at the Latest Practicable Date, none of the conditions has been satisfied.

Qualifying Shareholders

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available copies of the Prospectus to them for their information only, but no PAL will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be an Excluded Shareholder.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 pm on Monday, 11 May 2026.

The last day of dealing in the Shares on cum-rights basis is Thursday, 7 May 2026. The Shares will be dealt with on an ex-rights basis from Friday, 8 May 2026.

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

Rights of Overseas Shareholders (if any)

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue. The Company will send the Prospectus (without the PAL) to the Excluded Shareholders for their information only. For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the SGM.

As at the Latest Practicable Date, there are no Overseas Shareholders.

In compliance with the necessary requirements of the Listing Rules, the Board will make enquiries regarding the legal restrictions under the laws of the relevant overseas jurisdiction(s) and the requirements of the relevant regulatory body(ies) or stock exchange(s) pursuant to Rule 13.36(2)(a) of the Listing Rules, if necessary. If, after making such enquiries and based on legal opinions provided by the legal advisers to the Company, 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 the relevant jurisdiction(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in the relevant place(s), no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to such Overseas Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus.

The Company will send the Prospectus (without the PAL) and the Overseas Letter explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue to the Excluded Shareholders for their information only. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue as explained above.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s), if any, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

No fractional entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 24 June 2026. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before Wednesday, 24 June 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Application for the Rights Shares

The PALs relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

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

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 9 March 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to the 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 and ES Unsold 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 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, 17 June 2026, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on 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 Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

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

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

Principal terms of the Placing Agreement are summarised as follows:

Date: 9 March 2026 (after trading hours of the Stock Exchange)

Issuer: The Company

Placing agent: Kingston Securities Limited, a corporation licensed to engage in Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period: The period commencing from Thursday, 11 June 2026 and ending at 4:00 p.m. on Wednesday, 17 June 2026.

Commission and expenses: 1.0% of the aggregate placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.

Placing price of the Unsubscribed Rights Shares and/or and the ES Unsold Rights Shares (as the case may be):	<p>The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.</p> <p>The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares.</p>
Placees:	<p>The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties.</p> <p>The Placing Agent undertakes to use its best endeavours to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.</p>
Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	<p>The Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.</p>
Conditions precedent:	<p>The obligations of the Placing Agent under the Placing Agreement are conditional upon:</p> <ul style="list-style-type: none"> (i) the passing of the Independent Shareholders at the SGM of ordinary resolutions to approve the Rights Issue, the Placing Agreement and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either in person or by proxy at the SGM by way of poll); (ii) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked; (iii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained;

- (iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it was repeated as at the time of completion; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions of the Placing is capable of being waived in whole or in part by the Placing Agent or the Company.

Termination:

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or

- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (iii) 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 Company and if in the Placing Agent's reasonable 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
- (iv) 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 reasonable opinion would affect the success of the Placing; or
- (v) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion date of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

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 Placing Agreement to be on normal commercial terms.

The Company considers that the Placing Agreement will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, 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.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the 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 their nil-paid and fully-paid forms with their board lot size being the same (i.e. 4,000) as their underlying Shares 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 settlement day thereafter.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC 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 and charges

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

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of the conditions of the Rights Issue set forth above. In the event that the Rights Issue is not fully subscribed and provided the Placing Agreement has not been terminated in accordance with the provisions thereof, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. In the event of any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Compensatory Arrangements, the Rights Issue will continue to proceed but such Unsubscribed Rights Shares or ES Unsold Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Meanwhile, in the event that the Rights Issue is not fully subscribed and the Placing Agreement is terminated for whatever reasons, the Rights Issue will not proceed.

For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares and/or ES Unsold Rights Shares could eventually be successfully placed by the Placing Agent.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

At the Latest Practicable Date, the Company has 785,927,000 Shares in issue. Set out below are the changes in the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Rights Issue assuming no change in the number of Shares in issue on or before the Record Date, for illustration purposes only:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and the Unsubscribed Rights Shares and/or ES Unsold Rights Shares have been fully placed by the Placing Agent under the Compensatory Arrangements	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Substantial Shareholder						
Brilliant Sunshine (Note 1)	431,127,404	54.86	862,254,808	54.86	431,127,404	27.43
Public Shareholders						
Placees	–	–	–	–	785,927,000	50.00
Other public Shareholders	354,799,596	45.14	709,599,192	45.14	354,799,596	22.57
Total	<u>785,927,000</u>	<u>100.00</u>	<u>1,571,854,000</u>	<u>100.00</u>	<u>1,571,854,000</u>	<u>100.00</u>

Notes:

1. Brilliant Sunshine International Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 50% by Mr. Ng Leung Ho and as to 50% by Mr. Yu Xueming. Under the SFO, each of Mr. Ng Leung Ho and Mr. Yu Xueming is deemed to be interested in all the Shares held by Brilliant Sunshine.
2. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

The Company is a limited company incorporated in Bermuda and is an investment holding company. The Group is principally engaged in (i) the garment sourcing business; and (ii) the provision of financial services.

As disclosed in the interim report (the “**Interim Report**”) for the six months ended 30 September 2025 published on 19 December 2025, as at 30 September 2025, the unaudited cash and cash equivalents amounted to approximately HK\$51.9 million. References are also made to (i) the announcements of the Company dated 10 November 2025 and 30 January 2026; and (ii) the circular of the Company dated 1 December 2025 in relation to, among other things, the acquisition (the “**Acquisition**”) of a property for use as office premises of the Group. Immediately after the completion of the Acquisition on 30 January 2026, the Group had utilised approximately HK\$50.3 million of its cash and cash equivalents for the settlement of the consideration for the Acquisition and other directly attributable costs. Upon the completion of Rights Issue, assuming full subscription, the Company expects to raise the net proceeds of HK\$64.9 million (assuming no change in number of Shares in issue on or before Record Date). As such, based on the unaudited consolidated management accounts of the Company as at 28 February 2026, the cash and cash equivalents of the Group would amount to approximately HK\$75.5 million upon completion of the Rights Issue, representing approximately 44.8% of the total assets of the Group as at 28 February 2026 and enlarged by the net proceeds from the Rights Issue in the amount of approximately HK\$168.6 million.

The Board considers that the Rights Issue represents an opportunity to raise additional funding to strengthen the Group’s financial position, support the operation and development of the existing businesses of the Group and provide working capital to the Group to meet any financial obligations of the Group without additional interest burden.

The net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK\$64.90 million (assuming no change in number of Shares in issue on or before Record Date). The Company intends to use the net proceeds from the Rights Issue for the following purposes:

- (i) approximately 44.0% (or approximately HK\$28.56 million, assuming no change in number of Shares in issue on or before Record Date) for the development of the existing garment sourcing business of the Group, which will be mainly used in product procurement, enhancement of the quality control and management team and strengthening its supply chain management and logistics. To support sustainable growth of the garment sourcing business, the Group has implemented enhanced supplier selection procedures under which management will prioritise suppliers that are reputable and financially sound, demonstrate a proven delivery and compliance track record, and are prepared to offer favourable terms.

Accordingly, the Company intends to allocate approximately 37.0% (or approximately HK\$24.0 million) of the net proceeds from the Rights Issue to scale up product procurement (including deposits and/or prepayments to secure production capacity and raw materials) with such selected suppliers. The balance of approximately 7.0% (or approximately HK\$4.56 million) of the net proceeds will be used to upgrade the Group's quality control and sourcing management capabilities (including recruitment and training for the quality control team) and to strengthen supply chain management and logistics;

- (ii) approximately 44.0% (or approximately HK\$28.56 million, assuming no change in number of Shares in issue on or before Record Date), mainly for the expansion of the loan portfolio of the Group with an increasing availability of funds, for the development of the existing provision of financial services business of the Group. For the year ended 31 March 2025 and the six months ended 30 September 2025, the Group did not recognise any revenue from the provision of financial services. It was mainly attributable to a lack of eligible borrowers who meet the Group's credit policy. As at the Latest Practicable Date, the loan portfolio of the Group consisted of one secured loan facility granted to an individual in the sum of HK\$8.0 million. For details, please refer to the announcement of the Company dated 26 January 2026. In view of the increasing demand for financial services, the Group intends to allocate approximately 43.1% (or approximately HK\$28.0 million) for the expansion of the money lending portfolio of the Group with the objective of reaching more eligible borrowers and broadening its customer coverage. The Group plans to advance loans of at least HK\$10.0 million in aggregate to not fewer than two eligible borrowers through the referral by close business partners or customers of the Group within six months upon completion of the Rights Issue. The balance of approximately 0.9% (or approximately HK\$0.56 million) of the net proceeds will be utilised for legal and risk control expenses and operating costs of the provision of financial services business; and
- (iii) approximately 12.0% (or approximately HK\$7.78 million, assuming no change in number of Shares in issue on or before Record Date) for general working capital of the Group (including but not limited to the payment of salaries, utilities and administrative expenses).

The Company expects to fully utilise the net proceeds from the Rights Issue by the end of 2027. In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

The Company has considered alternative fundraising methods which include debt financing and equity financing alternatives such as placing of new Shares and open offer. For debt financing, in light of the loss-making position of the Group for the six months ended 30 September 2025, it is difficult for the Group to obtain loans with favourable interest rate in a timely manner and debt financing will result in additional interest burden and higher gearing ratio of the Group. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. For open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow the trading of rights entitlements in the open market.

Nevertheless, in the event that there is any shortfall in net proceeds from the Rights Issue, the Company will further evaluate the available options according to the market conditions and operating conditions including but not limited to rationing internal financial resources and may consider to conduct further equity and/or debt fundraising exercise to finance the shortfall, as and when appropriate.

In view of the above and the reasons described in the sub-section headed “Subscription Price” under the section headed “Proposed Rights Issue”, the Directors consider that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the SGM by way of poll. Pursuant to Rule 7.27A(1) of the Listing Rules, where Independent Shareholders’ approval is required for a rights issue under Rule 7.19A of the Listing Rules, the rights issue must be made conditional on approval by 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 issuer and their respective associates shall abstain from voting the ordinary resolution to approve the Rights Issue at the SGM.

As at the Latest Practicable Date, Brilliant Sunshine, being a company incorporated in the British Virgin Islands with limited liability and owned as to 50% by Mr. Ng Leung Ho and as to 50% by Mr. Yu Xueming, is interested in 431,127,404 Shares, representing approximately 54.86% of the issued share capital of the Company. Accordingly, Brilliant Sunshine and its associates shall abstain from voting in favour of the resolution approving the Rights Issue at the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the voting of the ordinary resolution(s) as set out in the notice of SGM shall be taken by way of poll at the SGM. The result of the vote will be announced after the SGM.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the Latest Practicable Date.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Tuesday, 19 May 2026. The Prospectus will be made available and/or despatched to the Shareholders. A copy of the Prospectus will also be made available on the websites of the Company and the Stock Exchange. The Company will despatch the PAL in printed form to the Qualifying Shareholders. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any).

SGM

A notice convening the SGM is set out on pages SGM-1 to SGM-3 of this circular. The SGM will be convened and held to consider and, if appropriate, approve, among other things, the Rights Issue, in accordance with the Bye-laws and the Listing Rules.

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19(6) of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders at the SGM, on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the 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, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Brilliant Sunshine, being a company incorporated in the British Virgin Islands with limited liability and owned as to 50% by Mr. Ng Leung Ho and as to 50% by Mr. Yu Xueming, is interested in 431,127,404 Shares, representing approximately 54.86% of the issued share capital of the Company. As such, Brilliant Sunshine and its associate, shall abstain from voting at the SGM in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch Registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Subject to the approval of the Rights Issue by the Independent Shareholders at the SGM and the Increase in Authorised Share Capital having become effective, the Prospectus Documents will be despatched to the Qualifying Shareholders on or before Tuesday, 19 May 2026 whereas the Prospectus will be despatched to the Excluded Shareholders for information only.

RECOMMENDATION

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chan Kin, Mr. Chau Chi Yan Benny and Ms. Wong Ping Fan, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable 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 SGM. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 29 to 30 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-22 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors believe that the terms of the Placing Agreement are on normal commercial terms and the Rights Issue are fair and reasonable so far as the Shareholders or Independent Shareholders (as the case may be) are concerned and in the interests of the Company and the Shareholders as a whole and recommend the Shareholders or the Independent Shareholders (as the case may be) to vote in favour of the resolutions to be proposed at the SGM to approve, among other things, the Rights Issue.

Shareholders are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding how to vote on the resolutions to be proposed at the SGM.

ADDITIONAL INFORMATION

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

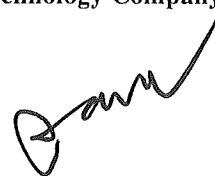
WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Shares are expected to be dealt in on an ex-rights basis from Friday, 8 May 2026. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this circular.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any Shareholder or other person dealings in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

By order of the Board
Hang Pin Living Technology Company Limited



Lam Kai Yeung
Chief Executive Officer and Executive Director