15 September 2026

To the Qualifying Shareholders and.
for information only, the Excluded Shareholders (if any)

Dear Sir or Madam,

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

INTRODUCTION

References are made to the Announcement and the Circular in relation to, among other matters. the Rights Issue and the Placing.

At the EGGM held on 2 September 2026, the proposed resolution for approving the Rights Issue, the Placing and the transactions contemplated thereunder was duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 2 September 2026.

The purpose of this Prospectus is to provide you with, among other things, details of the Rights Issue, financial information and other general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposes to conduct the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the Record Date. Set out below are the details of the Rights Issue statistics.

Basis of the Rights Issue		three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price		HKS0.20 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)		approximately HKS0.192 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Existing Shares in issue as at the Latest Practicable Date	:	53.333,333 Existing Shares
Number of Rights Shares	:	up to 159,999,999 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and no exercise of the outstanding share options)
Gross proceeds from the Rights Issue		Approximately HK$32.0 million before deducting the 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 and no exercise of the outstanding share options)

Net proceeds from the Rights Issue	Approximately HKS30.7 million after deducting the 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 and no exercise of the outstanding share options)
Excess application arrangements and underwriting	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 placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares which remain unplaced under the Compensatory Arrangement in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

As at the Latest Practicable Date, except for the 839,781 share options, of wvhich 734,811were granted to 7 employees of the Company and 104.970 were granted to a consultant of the Company, the Company (i) has no outstanding derivatives, convertible securities, options,warrants or other similar securities in issue which would otherwise confer any right to subscribe for, convert or exchange into Shares; and (ii) does not hold any treasury shares.

Adjustment(s) (if any) to the exercise price and/or the number of Shares subject to the outstanding share options as a result of the Rights Issue will be made in accordance with the terms of the share option scheme of the Company and the requirements of the GEM Listing Rules. The Company will notify the holders of such share options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the share option scheme and such adjustments will be certified by an independent financial adviser or auditor of the Company (as the case may be).

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholder of his/her/its intention in relation to the Rights Shares to be provisionally allotted to him/her/it under the Rights Issue.

Assuming no change in the number of Shares in issue on or before completion of the Rights Issue, 159,999,999 Shares to be issued pursuant to the terms of the Rights Issue represent 300%of the total number of issued Shares and approximately 75% of the total number of issued Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There wil1 be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules. 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 or ES Unsold Rights Shares which remain unplaced 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 subscription level or 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 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 (a) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code: and (b) does not result in noncompliance with the public float requirement under Rule 17.37B of the GEM Listing Rules,in accordance with the note to Rule 10.26(2) of the GEM Listing Rules.

The Subscription Price

The Subscription Price is HK$0.20 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i)a discount of approximately 5.66% to the closing price of HHKS0.212 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date:

(ii) a discount of approximately 4.76% to the closing price of HK$0.210 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 4.76% to the average closing price of HKS0.210 per Existing Share as quoted on the Stock Exchange for the last five (5) consecutive trading days upto and including the Last Trading Day;

(iv) a discount of approximately 8.26% to the average closing price of approximately HKS0.218 per Existing Share as quoted on the Stock Exchange for the last ten (10)consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 1.23% to the theoretical ex-rights price of approximately HKS0.2025 per Share based on the closing price of HKS0.210 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) no comparison of the Subscription Price against the net asset value per Share is presented, as the Group recorded audited consolidated net liabilities attributable to owners of the Company of approximately RMB58.3 million as at 31 December 2025and unaudited consolidated net liabilities attributable to owners of the Company of approximately RMB61.1 million as at 30 June 2026; and

(vii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules)represented by a discouunt of approximately 3.57% of the theoretical diluted price of approximately HK$0.2025 per Share to the benchmarked price of approximately HKS0.210 per Share (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of the closing price of HK$0.210 per Existing Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Announcement.

The Subscription Price was determined by the Company with reference to, among other things, the following factors.

(i) the prevailing market price of the Existing Shares

The closing price per Share experienced a significant downturn in the last month up to and including the Last Trading Day, declining from a closing price of HKS0.305 per Share on 9 June 2026 to a closing price of HK$0.210 per Share on the Last Trading Day,representing a drop of approximately 31.15%

In the last five (5) consecutive trading days up to and including the Last Trading Day,the average closing price per Share was HK$0.210, to which the Subscription Price represents a slight discount of approximately 4.76%.

(ii) the low ***liquidity of the*** *Existing Shares*

During the one-year period up to and including the Last Trading Day, the percentage of average daily trading volume to the total number of Shares was no more than 0.3%,indicating that the trading activity of the Shares remained at a considerably low level throughout the year.

In the last month up to and including the Last Trading Day, there were 13 trading days on which zero trading volume was recorded.

(iii) the latest business performance and financial position of the Group

The details set out in the section headed "REASONS FOR THE RIGHTS ISSUE, THE PLACING AND USE OF PROCEEDS" in this Prospectus.

(iv) ***the reasons for the Rights Issue***

The details set out in the section headed "REASONS FOR THE RIGHTS ISSUE, THE PLACING AND USE OF PROCEEDS" in this Prospectus.

Having regard to, among other things, the above factors, the Board considers that the Subscription Price, which represents a slight discount to the prevailing market price, is fair and reasonable and attractive to the Qualifying Shareholders in the Rights Issue, encouraging a higher participation rate.

All Qualifying Shareholders are entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 17.37B of the GEM Listing Rules.

The Board considers that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market;(ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue;(iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares; and (iv) the discount of the Subscription Price to the current market price will encourage them to participate in the Rights Issue.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 75%. The theoretical dilution effect of the Rights Issue is approximately 3.57% which is below 25% as required under Rule 10.44A of the GEM Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

(i) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the GEM Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, the Placing Agreement and the Compensatory Arrangements, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms.This condition was fulfilled at the EGM held on 2 September 2026;

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

(iii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, al1 the Rights Shares (in their nil-paid and fully-paid forms);

(iv) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively, one copy of each of the Prospectus Documents 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 thereto) in compliance with the Companies (WUMP) Ordinance, the Companies Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date:

(v) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(vi) following registration, the posting of the Prospectus Documents to Qualifying Shareholders, the posting of the Prospectus and the Overseas Letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue, and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and

(vii) all other necessary consent and approvals (if required) from the relevant regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above or, where no date is specified, by the Long Stop Date (or such later date as the Company may determine and announce).

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied by the respective dates set out above (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.

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 close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

The PAL relating to the Rights Shares in printed form is enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. 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.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company. **If a Qualifying** Shareholder does not take up any of his/her/its **entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of Overseas Shareholders

As at the Latest Practicable Date, based on the register of members of the Company, there is one Overseas Shareholder with registered address located in the PRC, who is interested in 1.022.500 Shares, representing 1.92% of the total issued share capital of the Company (the **"PRC** Shareholder").

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Directors have, in compliance with Rule 17.41(1) of the GEM Listing Rules, made enquiries regarding the legal restrictions under the laws of the above-mentioned places and the requirements of the relevant regulatory bodies or stock exchange.

The Company has been advised by the legal adviser in the PRC that, under the applicable legislations of the PRC, there is (i) no legal restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the PRC; and (ii) in relation to the Rights Issue, there is no requirement under the relevant applicable legislations of the PRC requiring the prior approval and/or registration of the Prospectus with the relevant regulatory authorities under the applicable laws of the PRC.Accordingly, the Rights Issue is extended to the Overseas Shareholders having registered addresses in the PRC, and such Overseas Shareholders are regarded as the Qualifying Shareholders.

Save for the abovementioned Overseas Shareholder whose registered address is in the PRC,there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date. As the register of members of the Company had already been closed as at the Latest Practicable Date and would remain closed up to the Record Date, there would be no additional Overseas Shareholder and hence no Excluded Shareholder on the Record Date.

It is the responsibility of each Overseas Shareholder who wishes to take part in the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territories and jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary formalities or legal requirements. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted.

The Company reserves the right to treat as invalid any acceptance of or applications 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.Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares,and if they are in any doubt about their position, they should consult their own professional advisers.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid or credited as fully paid and issued, will rank *pari* passu in all respects among themselves and with the Shares then in issue. Holders of fully-paid 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 Rights Shares in their fully-paid form.

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

Fractions of the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted tohim/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Tuesday, 29 September 2026. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “TRICOR INVESTOR SERVICES LIMITED - CLIENT A/C NO. 119” and crossed **“ACCOUNT PAYEE ONLY”.** It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 29 September 2026, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 21 September 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation,and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" hereinabove are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 20 October 2026.

No receipt will be issued in respect of any application monies received.

Actions to be taken by beneficial owners holding Shares through CCASS

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited,if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the section headed "Expected Timetable" in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or "splitting" in these cases shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other applicable requirements of CCASS.

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

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance 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 Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00p.m. on Monday, 12 October 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and ES Unsold Rights Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

(i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for:

(ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants)as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii)below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; or

(iii) if the Rights Issue is extended to the Overseas Shareholders (if any) and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

(iv) in respect of the Excluded Shareholders (if any), by reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) or Excluded Shareholder(s) mentioned in (i) to (iv) above which is in an amount of HKS100 or more will be paid to them in Hong Kong dollars only and the Company will retain individual amounts of less than HKS100 for its own benefit. No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

On 9 July 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure the Placee(s). on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

As a result of the revisions to the expected timetable of the Rights Issue and the transactions contemplated thereunder as set out in the announcement of the Company dated 5August 2026, the Company and the Placing Agent entered into the Supplemental Placing Agreement on 5 August 2026, to reflect the changes of the relevant dates of the Rights Issue and the transactions contemplated thereunder as referred to in the Placing Agreement.

Details of the Placing Agreement (as supplemented by the Supplemental Placing Agreement) are as follows:

Date 9 July 2026 (the Placing Agreement); and 5 August 2026 (the Supplemental Placing Agreement)

Issuer the Company

Placing Agent Suncorp Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4(advising on securities) regulated activities under the SFO, was appointed as the Placing Agent to procure,on a best effort basis, the Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the Placing Period.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period : The period commencing from Wednesday, 7 October 2026 and ending at 4:00 p.m. on Monday, 12 October 2026.

Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be)

The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares shall be not less than the Subscription Price.

The final price determination depends on the demand and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the process of placement.

Commission 3.0% of the amount which is equal to the Placing price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

The commission is not payable by the Company to the Placing Agent if the Placing Agreement has not become unconditional or is otherwise terminated in accordance with its terms.

Placees The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies). None of the Placees will, together with any party acting in concert with it,become a substantial shnareholder (as defined under the GEM Listing Rules) of the Company immediately upon completion of the Placing.

The Placing Agent will use its best endeavour 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) the Company will continue to comply with the public float requirement under Rule 17.37B of the GEM Listing Rules upon completion of the Placing and the Rights Issue.

Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares

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.

Conditions Precedent The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

(i) the passing by the Shareholders (including the Independent Shareholders) at the EGM of the necessary resolutions to approve the Rights Issue;

(ii) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) 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 if it was repeated as at the time of completion; and

(iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraphs (i) and (ii) above) by notice in writing to the Company.

If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all 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 or antecedent breach thereof.

As of the Latest Practicable Date, save for condition (ii), the other conditions precedent have been satisfied.

Termination The Placing Arrangement shall end on Monday, 12October 2026 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent ' s knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Placing Completion Completion is expected to take place within six Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing.

Odd lot matching services

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact the Placing Agent at (852) 3665 8111 during the period from 9:00 a.m. on Wednesday, 21 October 2026 to 4:00 p.m. on Monday, 9 November 2026 (both days inclusive).Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Application for listing of the Rights Shares

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, andI 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. The nil-paid and fully-paid Rights Shares shall have the board lot size of 10,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in and no listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission in CCASS

Subject to the granting of the approval for 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 their respective commencement dates of dealings 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 HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers 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 stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in,the nil-paid Rights Shares or the Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Tuesday, 20 October 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. Each Shareholder will receive one share certificate for all allotted Rights Shares. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Tuesday, 20 October 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

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

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 theRights Issue” in this Prospectus.

Shareholders and potential investors of the Company should note that each of the Rights Issue and the Placing is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue and/or the Placing are not fulfilled, the Rights Issue and/or the Placing will not proceed.

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. Accordingly, if the Rights Issue is undersubscribed,the size of theRights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

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

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or the Long Stop Date will accordingly bear the risk that the Rights Issue and/or the Placing may not proceed.

REASONS FOR THE RIGHTS ISSUE, THE **PLACING AND USE** OF PROCEEDS

The Group is principally engaged in the manufacturing and sales of packaging products,provision of customised packaging service and retail sales of products, including but not limited to daily necessities and food products, all of which are conducted in the PRC and in Hong Kong.

Having reviewed the latest audited consolidated financial statements of the Company for the year ended 31 December 2025, the Directors note thmat:

(i) for the year ended 31 December 2025, the Group recorded net cash outflows of approximately RMB43.6 million from operating activities as compared to net cash inflows of approximately RMB9.1 million from operating activities for the year ended 31 December 2024;

(ii) as at 31 December 2025, the Group's bond payables and borrowings were approximately RMB83.6 million as compared to approximately RMB74.6 million as at 31 December 2024;

(iii) as at 31 December 2025, the Group's bank balances and cash in general accounts amounted to approximately RMB1.9 millioncompared to approximately RMB4.1million as at 31 December 2024; and

(iv) as at 31 December 2025, the Group recorded net liabilities attributable to owners of the Company of approximately RMB58.3 million, and the independent auditor’s report on the consolidated financial statements of the Group for the year ended 31 December 2025, while expressing an unmodified opinion, included a paragraph on material uncertainty related to going concern.

In view of the financial conditions and performance of the Group and the imminent need of capital, the Directors consider that the Righats Issue represents a good opportunity to raise capital to repay its bond payables and borrowings and replenish its working capital. As disclosed in the annual report of the Company for the year ended 31 December 2025, bonds payables and borrowings of the Group amounted to approximately RMB83.6 million as at 31 December 2025,of which interest-bearing bonds of the Group amounted to approximately RMB9.0 million (with an aggregate principal amount of HK$10.0 million), with the remaining balance being unsecured borrowings of approximately RMB74.6 million. As the Company recently received a demand notice from the bondholder for carly repayment of the bond and a demand notice for the unsecured borrowings of HK$10 million, the Company currently intends to repay the outstanding bonds in full as soon as practicable following the completion of the Rights Issue and the Placing and after liaising with the relevant bond holder and creditor.

It is estimated that the Company will raise up to HK$32 million from the Rights Issue and the relevant expenses would be approximately HK$1.3 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated maximum net proceeds from the Rights Issue will accordingly be approximately HK$30.7 million (equivalent to a net price of approximately HKS0.192 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:

(i) approximately HK$10.0 million for repayment of the Group's bond payables, which are due on 30 November 2026:

(ii) approximately HK$15.0 million for repayment of borrowings, which are due on 30November 2026; and

(iii) approximately HKS5.7 million as general working capital of the Group (including but not limited to the payment of rental expenses, salaries, professional fees, and settlement of trade payables).

The Company expects to fully utilise the net proceeds by December 2026.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses, and the Company will settle the remaining balance by internal resources, debt financing and/or bank loans. The Company does not have any concrete plan to conduct any equity fund raising activities in the next 12 months.

The Company has considered other fund-raising alternatives before proceeding with the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer.Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. Placing of new Shares would only be available to certain placees who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

In view of the above, the Board considers that as compared to raising fund by other means,raising funds by way of the Rights Issue, which will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company and dealing with the Shares, is an appropriate fundraising method and is fair, cost effective, efficient and beneficial to the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF EQUITY SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities involving issue of its equity securities in the past 12 months immediately preceding the Latest Practicable Date.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the Latest Practicable Date; (ii) upon the completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders under Rights Issue; and (iii) upon the completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) all Placing Shares are placed to Independent Third Parties under the Placing:

Shareholders	As at the Latest Practicable Date		Upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under Rights Issue		Upon the completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing	
	No.of issued shares	%	No. of issued shares	%	No. of issued shares	%
Public shareholders	53,333,333	100	213,333,332	100	53.333,333	25
Placees		-			159,999,999	75
Total	53,333.333	100	213,333.332	100	213,333.332	100

Note: No Placce will, together with any party acting in concert with it, hold 10% or more of the voting rights of the Company immediately upon completion of the Placing, and the Placing Shares placed to the Placee(s),being Independent Third Parties, will be counted towards the public float of the Company.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue

LISTING RULES IMPLICATIONS

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Rights Issue must be made conditional on approval by the Independent Shareholders at the EGM,and any controlling shareholders of the Company and their respective 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 resolutions relating to the Rights Issue at the EGM. As at the date when the EGM was held i.e. 2 September 2026, the Company had no controlling Shareholder and none of the Directors and their respective associates held any Share. Accordingly, no Shareholder was required to abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

At the EGM held on 2 September 2026, the proposed resolution for approving the Rights Issue, the Placing and the transactions contemplated thereunder was duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 2 September 2026.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of the Announcement, or prior to such 12-month period where dealing in respect of the Existing Shares issued1 pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

ADDITIONAL INFORMATION

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

By order of the Board
Hong Kong Entertainment International Holdings Limited

Wang Yun

Executive Director