
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Capital VC Limited (the "Company"), you should at once forward this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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



CAPITAL
VC LIMITED

首都創投有限公司

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

**PROPOSED CAPITAL REORGANISATION;
PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR
EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Placing Agent



Astrum Capital Management Limited

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



Vinco Financial Limited

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

It should be noted that the Shares will be dealt in on an ex-rights basis from Monday, 5 January 2026. Dealings in the Rights Shares in their nil-paid form will take place from Friday, 16 January 2026 to Friday, 23 January 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional and may 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. Please refer to the section headed "Conditions of the Rights Issue" in this circular. In the event of an undersubscription of the Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best effort basis by the Placing Agent to independent places under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

A letter of advice from Vinco Financial Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is set out on pages 43 to 70 of this circular and a letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 41 to 42 of this circular.

A notice convening the EGM to be held at 11:30 a.m. on Tuesday, 21 October 2025 at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong together with the form of proxy are enclosed with this circular. Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar and transfer office, 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 the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

23 September 2025

CONTENTS

	<i>Page</i>
Expected Timetable	1
Definitions	5
Letter from the Board	12
Letter from the Independent Board Committee	41
Letter from Vinco Financial	43
Appendix I – Financial information of the Group	I-1
Appendix II – Unaudited pro forma financial information of the Group	II-1
Appendix III – General information	III-1
Notice of extraordinary general meeting	EGM-1

EXPECTED TIMETABLE

The expected timetable for the proposed Capital Reorganisation, the Rights Issue and the Placing is set out below.

Event	Expected Date/Time
-------	--------------------

Latest time for lodging transfers of Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Wednesday, 15 October 2025
---	---

Closure of register of members of the Company to determine entitlement to attend and vote at the EGM	Thursday, 16 October 2025 to Tuesday, 21 October 2025 (both days inclusive)
--	---

Latest time for lodging proxy forms for the EGM	11:30 a.m. on Sunday, 19 October 2025
---	---------------------------------------

Record date for determining attendance and voting at the EGM	Tuesday, 21 October 2025
--	--------------------------

Date and time of the EGM	11:30 a.m. on Tuesday, 21 October 2025
------------------------------------	--

Announcement of poll results of the EGM	Tuesday, 21 October 2025
---	--------------------------

Re-opening of the register of members of the Company	Wednesday, 22 October 2025
--	----------------------------

The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reduction, which are included in this circular:

Effective date of the Capital Reorganisation	Friday, 2 January 2026
--	------------------------

Commencement of dealings in the Adjusted Shares	9:00 a.m. on Friday, 2 January 2026
---	-------------------------------------

First day for free exchange of existing share certificates for the Existing Shares into new share certificates for the Adjusted Shares	Friday, 2 January 2026
--	------------------------

Last day of dealings in the Adjusted Shares on a cum-rights basis relating to the Rights Issue	Friday, 2 January 2026
--	------------------------

EXPECTED TIMETABLE

First day of dealings in the Adjusted Shares on an ex-rights basis relating to the Rights Issue	Monday, 5 January 2026
Latest time for lodging transfers of the Adjusted Shares in order to be qualified for the Rights Issue	4:30 p.m. on Tuesday, 6 January 2026
Closure of register of members to determine the entitlements to the Rights Issue	Wednesday, 7 January 2026 to Tuesday, 13 January 2026 (both days inclusive)
Record Date for the Rights Issue	Tuesday, 13 January 2026
Re-opening of the register of members of the Company	Wednesday, 14 January 2026
Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Wednesday, 14 January 2026
First day of dealings in nil-paid Rights Shares in the board lot size of 10,000 Rights Shares	Friday, 16 January 2026
Latest time for splitting of the PALs	4:30 p.m. on Tuesday, 20 January 2026
Last day of dealings in nil-paid Rights Shares in the board lot size of 10,000 Rights Shares	Friday, 23 January 2026
Latest Time for Acceptance and payment for the Rights Share	4:00 p.m. on Wednesday, 28 January 2026
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Wednesday, 28 January 2026
Announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Placing	Wednesday, 4 February 2026

EXPECTED TIMETABLE

Commencement of the Placing Period (if there
are any Unsubscribed Rights Shares and
NQS Unsold Rights Shares available) Thursday, 5 February 2026

Last day for free exchange of existing share certificates
for the Existing Shares into new share certificates
for the Adjusted Shares Monday, 9 February 2026

Latest time of placing of Unsubscribed Rights Shares
and NQS Unsold Rights Shares subject to the
Compensatory Arrangements 4:00 p.m. on
Friday, 20 February 2026

Latest Time for termination of the Placing Agreement 4:00 p.m. on
Monday, 23 February 2026

Announcement of the results of the Rights Issue
(including the results of the Placing and the Net Gain) Friday, 27 February 2026

Despatch of share certificates for the Rights Shares
and/or refund cheques Monday, 2 March 2026

First day of dealings in the fully-paid Rights Shares
in the board lot size of 10,000 Rights Shares Tuesday, 3 March 2026

Payment of Net Gain to relevant No Action Shareholders
(if any) or Non-Qualifying Shareholders (if any) Friday, 20 March 2026

Notes:

- (1) Shareholders should note that the dates and deadlines specified in the above timetable, and in other parts of this circular are indicative only and subject to change. Further announcement(s) will be made if there is any change to the expected timetable.
- (2) Unless otherwise specified, all references to times and dates are references to Hong Kong times and dates.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above, Extreme Condition, or a “black” rainstorm warning signal:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong.

If the Latest Time for Acceptance does not take place on the date of Latest Time for Acceptance, the dates mentioned in the section headed “Expected timetable” in this circular may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

DEFINITIONS

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

“Adjusted Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“AFRC”	the Accounting and Financial Reporting Council
“Announcement”	the announcement of the Company dated 13 August 2025 in relation to, the Capital Reorganisation, the Rights Issue and the Placing
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the par value of each Existing Share from HK\$0.25 to HK\$0.01 by cancelling the paid-up share capital to the extent of HK\$0.24 on each issued Existing Share
“Capital Reorganisation”	the proposed Capital Reduction and Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time

DEFINITIONS

“Company”	Capital VC Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2324)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this circular
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the resolutions in relation to the Capital Reorganisation and the Rights Issue, which is expected to be held at 11:30 a.m. on Tuesday, 21 October 2025 and any adjournment thereof
“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.25 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Extreme Conditions”	extreme conditions in the case where a Super Typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue
“Independent Financial Adviser” or “Vinc Financial”	Vinc Financial Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser of the Company appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) who is(are) not required to abstain from voting on the resolution relating to the Rights Issue and the Placing at the EGM under the Listing Rules
“Independent Third Parties”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	13 August 2025, being the last full trading day before the release of the Announcement
“Latest Practicable Date”	16 September 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 28 January 2026 (or such other time and date as may be determined by the Company), being the latest time for the acceptance of, and payment for, the Rights Shares
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as amended from time to time

DEFINITIONS

“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees) after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement
“No Action Shareholder(s)”	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at close of business on the Record Date and whose address(es) as shown on such register at that time is(are) in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any Professional Investor(s) procured by the Placing Agent or any of their sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing

DEFINITIONS

“Placing”	arrangements to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are Independent Third Parties during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“Placing Agreement”	the placing agreement dated 13 August 2025, supplemented by another agreement dated 16 September 2025, entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
“Placing Long Stop Date”	Tuesday, 31 March 2026 or such later date as the Company and the Placing Agent may agree in writing
“Placing Period”	the period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, which is expected to be Thursday, 4 December 2025 and ending at 4:00 p.m. on Tuesday, 16 December 2025, or any other date by mutual written agreement between the Placing Agent and the Company
“Placing Share(s)”	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s)
“Posting Date”	Wednesday, 14 January 2026 (or such other date as may be determined by the Company), being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Professional Investor”	has the same meaning as ascribed thereto in Part 1 of Schedule 1 to the SFO and any rules made thereunder

DEFINITIONS

“PRC”	The People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders whose name(s) appear on the register of members of the Company on the Record Date
“Record Date”	Tuesday, 13 January 2026 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
“Registrar”	the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the issue of Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date payable in full on acceptance
“Rights Share(s)”	450,128,249 Adjusted Shares to be allotted and issued pursuant to the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Existing Share(s), and/or Adjusted Share(s) as the case may be
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subdivision”	the proposed subdivision of authorised but unissued Existing Shares of par value of HK\$0.25 each into twenty five (25) Adjusted Shares of par value of HK\$0.01 each

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.12 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
“Unsubscribed Rights Share(s)”	the number of Unsubscribed Rights Share(s) not taken up by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue
“USA”	United States of America
“%”	per cent

LETTER FROM THE BOARD



CAPITAL
VC LIMITED

首都創投有限公司

Capital VC Limited 首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

Executive Directors:

Mr. Kong Fanpeng

Mr. Chan Cheong Yee

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Ms. Lai Fun Yin

Mr. Cheung Wai Kin

Ms. Luo Yanling

Principal place of business in Hong Kong:

Unit 506, 5/F

New World Tower 1

18 Queen's Road Central, Central

Hong Kong

23 September 2025

To the Shareholders,

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION;
PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

References are made to the Announcement in relation to, the Capital Reorganisation which involves the Capital Reduction and the Share Subdivision, the Rights Issue and the Placing.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information regarding (i) details of the Capital Reorganisation; (ii) further information regarding the Rights Issue and the transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (v) other information required under the Listing Rules; and (vi) the notice of the EGM.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Capital Reduction and the Share Subdivision as follows:

(i) Capital Reduction

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$0.24 on each of the then issued Existing Shares such that the par value of each issued Existing Share will be reduced from HK\$0.25 to HK\$0.01. The credit arising from the Capital Reduction will be applied towards offsetting against the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company; and

(ii) Share Subdivision

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Existing Shares of par value of HK\$0.25 each in the authorised share capital of the Company will be subdivided into twenty five (25) authorised but unissued Adjusted Shares of par value of HK\$0.01 each.

Effect of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 divided into 800,000,000 Existing Shares of par value of HK\$0.25 each, of which 450,128,249 Existing Shares have been issued and are fully paid or credited as fully paid.

Upon the Capital Reduction becoming effective and assuming no further Existing Shares will be issued or repurchased from the Latest Practicable Date up to and including the date of which the Capital Reorganisation shall become effective, the par value of all the issued Existing Shares shall be reduced from HK\$0.25 each to HK\$0.01 each by cancelling the paid-up share capital to the extent of HK\$0.24 per Existing Share in issue.

LETTER FROM THE BOARD

Upon the Share Subdivision becoming effective, each of the authorised but unissued Existing Shares of par value of HK\$0.25 each will be subdivided into twenty five (25) authorised but unissued Adjusted Shares of par value of HK\$0.01 each.

The Adjusted Shares will rank *pari passu* in all respects with each other in accordance with the Memorandum and the Articles. The issued share capital will be reduced to HK\$4,501,282.49 divided into 450,128,249 Adjusted Shares of par value of HK\$0.01 each.

Based on the 450,128,249 Existing Shares in issue as at the Latest Practicable Date, a credit of approximately HK\$108.0 million will arise from the Capital Reduction, which will be applied towards offsetting against the accumulated losses of the Company as at the effective date of the Capital Reduction.

Other than the relevant expenses incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company.

The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, the share capital structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the implementation of the Capital Reorganisation is summarised below:

	As at the Latest Practicable Date	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.25 per Existing Share	HK\$0.01 per Adjusted Share
Authorised share capital	HK\$200,000,000 divided into 800,000,000 Existing Shares	HK\$200,000,000 divided into 20,000,000,000 Adjusted Shares
Issued and fully paid-up or credited as fully paid-up share capital	HK\$112,532,062.25 divided into 450,128,249 Existing Shares	HK\$4,501,282.49 divided into 450,128,249 Adjusted Shares

LETTER FROM THE BOARD

	As at the Latest Practicable Date	Immediately upon the Capital Reorganisation becoming effective
Unissued share capital	HK\$87,467,937.75 divided into 349,871,751 Existing Shares	HK\$195,498,717.51 divided into 19,549,871,751 Adjusted Shares
Unaudited accumulated losses of the Company as at 31 March 2025	Approximately HK\$1,156.9 million	Approximately HK\$1,048.9 million (assuming no change in the accumulated losses from 31 March 2025 up to the date of the Capital Reorganisation becoming effective)

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following:

- (i) the passing of a special resolution to approve the Capital Reorganisation by the Shareholders at the EGM;
- (ii) the Grand Court granting an order confirming the Capital Reduction;
- (iii) compliance with any conditions which the Grand Court may impose in relation to the Capital Reduction;
- (iv) registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (v) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation.

For the avoidance of doubt, the Capital Reorganisation is not conditional on, and independent of, the Rights Issue. In the event the ordinary resolution is not passed at the EGM for approving the Rights Issue, the Capital Reorganisation will proceed as scheduled provided the above conditions of the Capital Reorganisation are fulfilled. As at the Latest Practicable Date, none of the aforesaid conditions are fulfilled.

LETTER FROM THE BOARD

Application for listing and dealings

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Status of the Adjusted Shares

The Adjusted Shares will be identical in all respects and rank *pari passu* in all respects with each other. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Friday, 2 January 2026 until Monday, 9 February 2026 (both days inclusive), submit share certificates for the Existing Shares (in purple colour) to the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Adjusted Shares (in orange colour). Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Adjusted Shares, whichever the number of certificates cancelled/issued is higher.

All existing share certificates of the Company will continue to be evidence of title to the Shares and continue to be valid for trading, settlement, registration and delivery purposes.

LETTER FROM THE BOARD

Reasons for the Capital Reorganisation

Pursuant to the Companies Act, the Company is not permitted, without the order of the Grand Court, to issue Shares at a discount to the nominal value of such Shares. As the Subscription Price, which was determined with reference to the prevailing market price of the Existing Shares, is below the par value of each Existing Share, the Company is not permitted to issue the Rights Shares under the laws of the Cayman Islands until and unless the par value of each Existing Share is reduced pursuant to the Capital Reorganisation. In order to facilitate possible fund raising activities including the Rights Issue in the future, it is necessary to implement the Capital Reorganisation to lower the par value of the Shares, giving greater flexibility to the Company to issue new Shares in the future.

The proposed Capital Reorganisation will reduce the par value of the Existing Shares from HK\$0.25 to HK\$0.01 each. The credit arising from the Capital Reduction will be applied towards offsetting against the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) after offsetting against the accumulated losses will be transferred to a distributable reserve account of the Company or other reserve account of the Company, which will be applied by the Company in any manner as permitted by all applicable laws and the Memorandum and Articles.

As at 31 March 2025, the unaudited accumulated losses of the Company was approximately HK\$1,156.9 million. Upon the Capital Reorganisation becoming effective, the accumulated losses of the Company will be reduced by approximately HK\$108.0 million.

The Board is of the opinion that the proposed Capital Reorganisation will give greater flexibility to the Company to (i) conduct fundraising exercise to raise capital, including the Rights Issue; (ii) declare dividends; and/or (iii) undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

As at the Latest Practicable Date, save as disclosed in this circular, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

LETTER FROM THE BOARD

As such, the Directors are of the view that the Capital Reorganisation is in the best interests of the Company and its Shareholders as a whole. In the event there is any change to the business environment and/or financial position of the Company due to unforeseeable circumstances, and the Company is required to conduct further fund raising exercises when suitable opportunities arise in order to support future development of the Group, the Company will publish further announcement(s) in compliance with the Listing Rules, as and when appropriate.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held as at the Record Date. Set out below are the details of the Rights Issue statistics.

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.12 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.118 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	:	450,128,249 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	450,128,249 Adjusted Shares (assuming there is no change in the number of Shares in issue up to the effective date of the Capital Reorganisation)
Number of Rights Shares (Shares to be issued pursuant to the Rights Issue)	:	450,128,249 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) with an aggregate nominal value of HK\$4,501,282.49

LETTER FROM THE BOARD

Total number of Adjusted Shares in issue upon completion of the Rights Issue	:	450,128,249 Adjusted Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Gross proceeds from the Rights Issue	:	Approximately HK\$54.0 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)

The Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares as at the Latest Practicable Date.

Assuming no change in the number of Shares in issue on or before the Record Date, other than the Capital Reorganisation becoming effective, the aggregate 450,128,249 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 100% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and 50% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

The Subscription Price

The Subscription Price is HK\$0.12 per Rights Share, which shall be payable in full by the Qualifying Shareholders upon acceptance of the relevant provisional allotment of the 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 19.5% to the adjusted closing price of HK\$0.149 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.149 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 27.3% to the adjusted closing price of HK\$0.165 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.165 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (iii) a discount of approximately 24.8% to the adjusted average closing price of HK\$0.1596 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.1596 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 25.0% to the adjusted average closing price of HK\$0.1599 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of approximately HK\$0.1599 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 24.4% to the adjusted average closing price of HK\$0.1588 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.1588 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (vi) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 13.6%, based on the theoretical diluted price of HK\$0.1425 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK\$0.165 (taking into account the effect of the Capital Reorganisation) per Adjusted Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of HK\$0.165 per Existing Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average closing price of HK\$0.1588 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day); and
- (vii) a discount of approximately 82.0% to the unaudited consolidated net asset value per Adjusted Share of approximately HK\$0.667 based on the unaudited consolidated net asset value of the Company of approximately HK\$300.3 million as at 31 March 2025 and the total number of 450,128,249 Adjusted Shares in issue immediately upon completion of the Capital Reorganisation.

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section head “Reasons for the Rights Issue and Use of Proceeds” in this circular, and the amount of funds the Company intends to raise under the Rights Issue.

LETTER FROM THE BOARD

The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price and the adjusted consolidated net asset value per Adjusted Share as illustrated above, taking into consideration:

- (i) based on the closing price of HK\$0.165 per Existing Share as quoted on the Stock Exchange on the Last Trading Day, the Existing Shares have been traded at a discount of approximately 75.3% to the unaudited consolidated net asset value per Existing Share of approximately HK\$0.667 with reference to the unaudited consolidated net asset value of the Company of approximately HK\$300.3 million as at 31 March 2025 and the total number of 450,128,249 Existing Shares in issue as at the Last Trading Day;
- (ii) during the first six months of year 2025, the Company's average monthly trading volume of approximately HK\$2.9 million (calculated based on the total trading volume during the first six months of year 2025 divided by six months) represented merely approximately 2.6% of the total issued share capital of the Company; and
- (iii) for the year ended 30 September 2023 and 2024, the Company recorded total comprehensive expense of approximately HK\$149.1 million and HK\$19.9 million, respectively.

Under the prevailing market conditions and economic sentiment and with reference to (i) the recent market performance of the Existing Shares particularly the Company's average trading volume as illustrated above indicated a lack of liquidity and demand for the Shares; (ii) the latest business performance and financial position of the Group, particularly the Group has been in a loss position during the two years ended 30 September 2023 and 2024; and (iii) the Existing Shares have been traded at a discount to the net asset value per Share, the Directors consider that it would be more practical and commercially reasonable to set a subscription price which is lower than the prevailing market price and the consolidated net asset value per Adjusted Share as illustrated above in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate in the Rights Issue.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders 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 historical market price of the Existing Shares and discount to the recent closing prices of the Existing Shares; (iii) the funding needs of the Group, details of which are

LETTER FROM THE BOARD

set forth in the paragraph headed “Reasons for the Rights Issue and Use of Proceeds” in this circular; and (iv) the proceeds from the Rights Issue can improve the financial condition and reduce the gearing ratio and interest burden of the Group.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best effort basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly, and the Group will reduce the proposed size of investments in listed securities and unlisted debt securities proportionally as well.

There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder who applies to take up all or part of his/her/its entitlement under the PAL 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 (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder 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.

Conditions of the Rights Issue

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

- (i) the Capital Reorganisation having become effective;
- (ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

LETTER FROM THE BOARD

- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (iv) following registration, the Prospectus Documents having been made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof; and
- (vii) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

In relation to the condition set out in paragraph (vii) above, the Directors confirmed that, save for (a) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange; and (b) the registration of the Prospectus Documents by the Registrar of Companies in Hong Kong with such authorisation by the Stock Exchange, no other waiver, consent or approval is considered to be necessary for the Rights Issue to be effective.

None of the above conditions precedent can be waived. As at the Latest Practicable Date, none of the above conditions has been fulfilled. If any of the above conditions are not satisfied at or before 4:00 p.m. on Monday, 23 February 2026 (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.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the 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 fully paid Rights Shares.

Stamp duty and other applicable fees

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.

Qualifying Shareholders

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

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Adjusted Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Tuesday, 6 January 2026.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 7 January 2026 to Tuesday, 13 January 2026 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every one (1) Adjusted Share held by the Qualifying Shareholders as at the close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted by the Registrar by the Latest Time for Acceptance.

LETTER FROM THE BOARD

Rights of Overseas Shareholders (if any)

As at the Latest Practicable Date, based on the register of members of the Company, there were a total of 3 Overseas Shareholders with registered addresses located outside Hong Kong, details of which are set out below:

Jurisdiction	Number of Overseas Shareholder(s)	Aggregate number of Existing Shares held by Overseas Shareholder(s) in the jurisdiction	Approximate percentage of issued share capital of the Company
The PRC	2	18,910,000	4.2%
Cayman Islands	1	17,000,000	3.8%

Save for the 3 Overseas Shareholders with registered addresses located in the PRC and Cayman Islands, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. Having considered the results of such enquiries obtained, the Directors are of view that there are no legal restrictions under the laws of or the requirements of the relevant regulatory bodies or stock exchange in the PRC and Cayman Islands with respect to the offer of the Rights Shares to the Overseas Shareholders with registered addresses in such jurisdictions as at the Latest Practicable Date. Accordingly, the Directors have decided to extend the Rights Issue to the Overseas Shareholders having registered addresses in the PRC and Cayman Islands and such Overseas Shareholders are considered as Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue, subject to the results of the enquiries to be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. In the event that additional Overseas Shareholder(s), other than the Overseas Shareholders with registered addresses located in the PRC and Cayman Islands as mentioned above, is/are identified as at the Record Date, such Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

In the event additional Overseas Shareholder(s), other than the Overseas Shareholder with registered address located in the PRC and Cayman Islands as mentioned above, is/are identified as at the Record Date, the Company will comply with Rule 13.36(2)(a) of the Listing Rules to make enquiries regarding the feasibility of extending the offer of the Rights Issue to Overseas Shareholders, if any, under the laws of the relevant overseas jurisdictions and the requirements of

LETTER FROM THE BOARD

the relevant regulatory bodies or stock exchanges. If, based on the legal advice to be provided by the legal advisor of the Company, the Board considers that it would be necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the Rights Issue will not be extended to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, 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 to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

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

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. On 13 August 2025, the Company entered into a placing agreement, which is supplemented by another agreement dated 16 September 2025, with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best effort basis, any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 20 February 2026, placees to subscribe for all (or as many as possible) of those Unsubscribed Rights Shares and NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

LETTER FROM THE BOARD

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

- A. for No Action Shareholders, 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. for Non-Qualifying Shareholders, the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

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

Placing Agreement for Unsubscribed Rights Shares and NQS Unsold Rights Shares

Details of the placing agreement entered into on 13 August 2025, which is supplemented by another agreement dated 16 September 2025, are summarised below:

- | | | |
|---------------|---|--|
| Issuer | : | The Company |
| Placing Agent | : | Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities 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 NQS Unsold Rights Shares during the Placing Period. |

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder(s); and (ii) are Independent Third Parties.

- | | | |
|----------------|---|---|
| Placing Period | : | The period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, which is expected to be Thursday, 5 February 2026 and ending at 4:00 p.m. on Friday, 20 February 2026. |
|----------------|---|---|

LETTER FROM THE BOARD

- Commission and expenses : The Company shall pay the Placing Agent a placing commission equivalent to (i) a fixed fee of HK\$100,000; or (ii) 3% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher.
- Placing price : The placing price of each of the Placing Shares shall be not less than the Subscription Price. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of placement.
- Placees : Any Professional Investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall be Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis pursuant to the Placing Agreement.
- Ranking of the Placing Shares : The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the Adjusted Shares in issue at the date of completion of the Placing.
- 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 Capital Reorganisation having become effective;
 - (ii) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;
 - (iii) the approval of the Rights Issue and the transactions contemplated thereunder including the Placing Agreement, by more than 50% of the Independent Shareholders at the EGM by way of poll;

LETTER FROM THE BOARD

- (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 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.

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

Termination : The Placing Period shall end at 4:00 p.m. on Friday, 20 February 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 the Placing Agent at any time prior to 4:00 p.m. on Monday, 23 February 2026 or any other date by mutual written agreement between the Placing Agent and the Company in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. Further, 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 reasonable 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.

LETTER FROM THE BOARD

The Company shall use its best endeavours to procure the fulfillment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing 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 fulfillment 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.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement in respect of the Placing Shares (including the commission and expenses payable) are on normal commercial terms.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares to the Company; (ii) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders.

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 Monday, 2 March 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Monday, 2 March 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

LETTER FROM THE BOARD

Fractional entitlement to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

Application for listing of the Rights Shares

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

Rights shares will be eligible for admission into CCASS

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

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

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

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed “Proposed Capital Reorganisation – Conditions of the Capital Reorganisation” in this circular. Therefore, the Capital Reorganisation may or may not proceed.

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 paragraph headed “Proposed Rights Issue – Conditions of the Rights Issue” in this circular.

LETTER FROM THE BOARD

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Existing Shares, the Adjusted Shares and/or the Rights Shares. 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).

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is listed under Chapter 21 of the Listing Rules. The Group is principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC.

As disclosed in the annual report of the Company for the year ended 30 September 2024, the Group's cash and bank balances (including cash balance held in securities accounts) as at 30 September 2024 amounted to approximately HK\$25.2 million. The Group has margin payable of approximately HK\$43.0 million as at 31 March 2025. Accordingly, the Group recorded a net negative cash position of approximately HK\$17.8 million.

In the first half of fiscal year 2024/25, the Group has recorded cash and bank balance (including cash balance held in securities accounts) of approximately HK\$17.6 million and margin payables of approximately HK\$41.5 million, which represented a net negative cash position of approximately HK\$23.9 million as at 31 March 2025. The margin payables have to be repaid on demand, and if lenders call the margin loans, the Group will realise its investments to settle the margin payables.

Owing to the business nature of the Group, being an investment company, the Group requires extensive cash to grow. Unlike other companies with regular cash revenues from operations, investments of investment companies under Chapter 21 of the Listing Rules do not necessarily generate sufficient cash for its operations and its cash position is largely dependent on the market conditions and its investment strategies. The Group's revenues mainly comprise of amounts received and receivable on investments, net profit/loss on financial assets at fair value through profit or loss, dividend income and interest income. As mentioned above, the Group has recorded a net negative cash position of approximately HK\$23.9 million as at 31 March 2025. Should there be any change in the market value or fair value of the investments or the investment

LETTER FROM THE BOARD

conditions becomes aversive, there is a risk that the Group may not generate sufficient cash for its investment activities. With the view of the eminent performance of the stock markets of Hong Kong and the United States during the first half of year 2025 and taking into account the net negative cash position of the Group of approximately HK\$17.6 million as at 31 March 2025, the Directors consider that the cash position on hand will not be sufficient for the Group to capture suitable investment opportunities as they arise in the near future. In summary, the Group, being an investment company by nature, requires readily available funds for capturing suitable investment opportunities in a timely fashion to provide investment returns to the Group and Shareholders.

As such, the Board considers that equity financing by way of the Rights Issue represents an opportunity for the Company to increase its liquidity, strengthen its capital base and enhance its financial position by reserving cash proceeds from the Rights Issue for future investment opportunities as they arise.

Apart from the Rights Issue, the Board has also considered other financing alternatives such as bank borrowing, issue of new shares and open offer. 1) Bank borrowing or debt financing will incur interest expenses and may not be achievable on favourable terms on a timely basis, and subject the Group to repayment obligations. The Board expects it would take not less than one year to obtain the bank borrowings, if the Company considers this financing alternative. 2) 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. The Board expects it would take approximately six to nine months to complete the placing of new shares of the Company, if the Company considers this financing alternative. 3) The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. As opposed to open offer. Rights Issue would also enable the Shareholders to sell the nil-paid rights in the market. Hence, the Board considers raising funds by way of Rights Issue is more attractive in the current market condition than an open offer, and thus, in the interests of the Company and the Shareholders as a whole. If the Company considers open offer to finance its investments and working capital, the Board expects it would take less than six months to complete this financing alternative.

The gross proceeds from the Rights Issue will be approximately HK\$54.0 million. The estimated net proceeds from the Rights Issue after deducting all necessary expenses will be approximately HK\$52.9 million, assuming no material fluctuations in the stock market, the Company intended to apply (i) approximately HK\$29.0 million for the investment in listed securities in the industries of media and entertainment, financial services and related businesses, and construction in Hong Kong, the PRC and the USA by 31 March 2027 receiving the proceeds from the Rights Issue; (ii) approximately HK\$18.0 million for the investment in unlisted debt securities in the industries of media and entertainment, financial services and related businesses, and construction mainly in Hong Kong, the PRC and the USA by 31 March 2027; and (iii) the remaining of approximately HK\$5.9 million for general working capital needs (being “directors’ fee, salaries, investment manager’s fee, audit fee, valuation fee and rental expenses”) of the

LETTER FROM THE BOARD

Group by 31 March 2027. If the Rights Shares are not fully subscribed, the Group will reduce the proposed size of investments in listed securities and unlisted debt securities proportionally. The proposed investments are in line with the investment objectives of the Company.

The Board considers the investments in the industries of media and entertainment, financial services and related businesses, and construction will be promising investments. All these industries are with blooming prospects.

In relation to the media and entertainment industry, with over a billion people and rising middle-class consumption, China offers unmatched scale for content distribution and monetization. Hong Kong is adopting Mega Event Economy. The city hosts large-scale cultural and sports events, backed by initiatives like the Mega Arts and Cultural Events Fund and the Kai Tak Sports Park, turning it into a live entertainment magnet. The media and entertainment industry in the USA takes the leading role in the world. It spans movies, music, gaming, streaming, publishing, and live events—each with global reach and monetization potential.

In relation to the industry of financial services and related businesses, with the world's second-largest economy and a growing middle class, China's demand for banking, insurance, and asset management is surging. Hong Kong is a Global Financial Hub: Ranked among the top financial centres worldwide, Hong Kong contributes nearly 25% of its GDP through financial services. Again, the industry of financial service and other related businesses in the USA is the leading one in the world. It is about tapping into the backbone of the global economy. The USA leads in financial technology, with startups and incumbents driving innovations in digital banking, blockchain, robo-advisors, and AI-powered analytics.

In relation to the construction industry, China's rapid urban expansion continues, with new cities, industrial zones, and transport networks being built at breakneck speed. In Hong Kong, the government is investing heavily in transportation, energy, and healthcare infrastructure. Various projects, like the Northern Metropolis Development Strategy, are reshaping the city's landscape. The construction industry contributes significantly to the growth of the United States economy. In the USA, the construction industry's output is a significant component of the Gross Domestic Product (GDP), accounting for approximately 4% of the nation's GDP. Infrastructure development projects, such as highways, bridges, airports, and seaports, are vital to economic growth, as they create a conducive environment for businesses to operate and expand.

As at the Latest Practicable Date, the Group has not identified any specific investment targets and is not currently in negotiations for any possible investments.

As at the Latest Practicable Date, save for the Rights Issue, the Company does not have any other immediate plan or is not contemplating to have further fund raising for at least the next 12 months for financing its existing investments or any other new investments.

LETTER FROM THE BOARD

Alternative fund-raising methods considered

The Company had considered other fund-raising alternatives available to the Group, including debt financing and other equity financing such as placing or subscription of new Shares.

The Board considers that to finance the funding needs of the Group in the form of equity is a better alternative than debt as it would not result in additional interest burden and will improve the gearing of the Group. In particular, the Company had difficulties in sourcing debt financing from financial institutions due to the lack of security as the Company does not have material tangible assets in Hong Kong.

Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. In particular, placing is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. On the contrary, the Rights Issue is pre-emptive in nature, as it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also allows the Qualifying Shareholders to (a) increase their respective shareholding interests in the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective shareholding interests in the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, a rights issue is preferred. Further, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs.

Based on the above, the Board (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, based on publicly available market information, the Board understands that where the Unsubscribed Rights Shares and NQS Unsold Rights Shares are to be fully-underwritten, the underwriting commission charged by underwriters is generally much higher than the commission charged for placing on a best effort basis. To improve the cost effectiveness of the Rights Issue and having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

LETTER FROM THE BOARD

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS FROM THE LATEST PRACTICABLE DATE

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

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 Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Capital Reorganisation; (iii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue; (iv) immediately upon 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; and (v) immediately upon completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) no Placing Shares are placed to Independent Third Parties under the Placing:

Shareholder	As at the Latest Practicable Date		Immediately upon completion of the Capital Reorganisation		Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		Immediately upon 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		Immediately upon completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) no Placing Shares are placed to Independent Third Parties under the Placing	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Kong Fanpeng (Director)	2,750,000	0.6%	2,750,000	0.6%	2,750,000	0.3%	2,750,000	0.3%	2,750,000	0.6%
Public Shareholders	447,378,249	99.4%	447,378,249	99.4%	897,506,498	99.7%	447,378,249	49.7%	447,378,249	99.4%
Placees	-	-	-	-	-	-	450,128,249	50.0%	-	-
	<u>450,128,249</u>	<u>100.0%</u>	<u>450,128,249</u>	<u>100.0%</u>	<u>900,256,498</u>	<u>100.0%</u>	<u>900,256,498</u>	<u>100.0%</u>	<u>450,128,249</u>	<u>100.0%</u>

Note: The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. None of the Shareholders or their respective associates had any interest in the Capital Reorganisation. Accordingly, no Shareholder is required to abstain from voting in favour of the resolution relating to the Capital Reorganisation at the EGM.

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the Latest Practicable Date (after taking into account the effect of the Capital Reorganisation), the Rights Issue is conditional upon the minority Shareholders' approval at the EGM, and any controlling shareholders (as defined in the Listing Rules) of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution in relation to the Rights Issue at the EGM.

As at the Latest Practicable Date, the Company has no controlling shareholder as defined under the Listing Rules and none of the Directors and chief executive of the Company and their respective associates is interested in any Shares. Therefore, no Shareholder is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

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 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Lai Fun Yin, Mr. Cheung Wai Kin and Ms. Luo Yanling, will be established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. In this connection, the Company has appointed Vinco Financial Limited as an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

LETTER FROM THE BOARD

GENERAL

The EGM will be convened for the Shareholders to consider and, if fought fit, approve the Capital Reorganisation and the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 16 October 2025 to Tuesday, 21 October 2025 (both days inclusive).

In order to qualify for attendance and voting at the EGM, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Wednesday, 15 October 2025. A notice convening the EGM to be held at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong on Tuesday, 21 October 2025 at 11:30 a.m. is set out on pages EGM-1 to EGM-5 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar 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 so that it is received at least 48 hours before the time appointed (i.e. Sunday, 19 October 2025 at 11:30 a.m.) for the EGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

DESPATCH OF PROSPECTUS DOCUMENTS AND CIRCULAR

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched to the Qualifying Shareholders on Wednesday, 14 January 2026 and at the same time, a PAL in printed copies will also be sent to the Qualifying Shareholders. The Company will despatch the Prospectus only (without the PAL(s)) will be made available and/or despatched to the Non-Qualifying Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 January 2026 to Tuesday, 13 January 2026 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

LETTER FROM THE BOARD

THE EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s), among other things, in respect of the Capital Reorganisation. As at the Latest Practicable Date, the Company has no controlling shareholder as defined under the Listing Rules and none of the Directors, the chief executive of the Company and their respective associates is interested in any Shares. Therefore, no Shareholder is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

A notice convening the EGM to be held at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong on Tuesday, 21 October 2025 at 11:30 a.m. is set out on pages EGM-1 to EGM-5 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar 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 so that it is received at least 48 hours before the time appointed (i.e. Sunday, 19 October 2025 at 11:30 a.m.) for the EGM or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

VOTING BY POLL

All the resolutions set out in the notice of the EGM would be decided by poll in accordance with Rule 13.39(4) of the Listing Rules and the Articles of Association. On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by a proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his/her/its votes or cast all his/her/its votes in the same way. After the conclusion of the EGM, the poll results will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.capital-vc.com.

STATEMENT OF RESPONSIBILITY

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

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, which comprises all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM on the relevant resolutions. Vinco Financial 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 41 to 42 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 43 to 70 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors consider that the terms of the Capital Reorganisation are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Further, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Shareholders and the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

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

MISCELLANEOUS

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

Yours faithfully,
For and on behalf of the Board
Chan Cheong Yee
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



CAPITAL
VC LIMITED

首都創投有限公司

Capital VC Limited 首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

23 September 2025

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED CAPITAL REORGANISATION; AND PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE

We refer to the circular of the Company dated 23 September 2025 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and the terms of which are fair and reasonable insofar as the Independent Shareholders are concerned.

Vinco Financial has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Having taken into account the terms of the Rights Issue and the Placing Agreement, and the advice from the Independent Financial Adviser as set out on pages 43 to 70 of this circular, we are of the opinion that the terms of the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.

Yours faithfully
For and on behalf of
The Independent Board Committee

Lai Fun Yin

Cheung Wai Kin
Independent non-executive Directors
Capital VC Limited

Luo Yanling

LETTER FROM VINCO FINANCIAL

The following is the text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders prepared in respect of the terms of the Rights Issue and the transactions contemplated thereunder which has been prepared for the purpose of incorporation in this circular:

Vinco Financial Limited

23 September 2025

*To the Independent Board Committee and the Independent Shareholders of
Capital VC Limited*

Dear Sirs,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR
EVERY ONE (1) ADJUSTED SHARE HELD
ON THE RECORD DATE**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Rights Issue and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 23 September 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the Announcement in relation to, among other things, the Capital Reorganisation, the Rights Issue and the Placing. The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date at the Subscription Price of HK\$0.12 per Rights Share, to raise up to approximately HK\$54.0 million before expenses by way of issuing up to 450,128,249 Rights Shares (assuming full subscription under the Rights Issue and there is no change in the total number of issued Shares from the date of the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation).

Assuming there will be no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK\$52.9

LETTER FROM VINCO FINANCIAL

million. The net price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.118. After receiving the proceeds from the Rights Issue, the Company intends to apply (i) approximately HK\$29.0 million for the investment in listed securities in the industries of media and entertainment, financial services and related businesses, and construction in Hong Kong, the PRC and the USA by 31 March 2027; (ii) approximately HK\$18.0 million for the investment in unlisted debt securities in the industries of media and entertainment, financial services and related businesses, and construction mainly in Hong Kong, the PRC and the USA by 31 March 2027; and (iii) the remaining of approximately HK\$5.9 million for general working capital needs (being “directors’ fee, salaries, investment manager’s fee, audit fee, valuation fee and rental expenses”) of the Group by 31 March 2027.

There will be no excess application arrangements in relation to the Rights Issue. 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. There are no applicable statutory requirements under the laws of the Cayman Islands regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue. In the event of an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly, and the Group will reduce the proposed size of investments in listed securities and unlisted debt securities proportionally as well.

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the Latest Practicable Date (after taking into account the effect of the Capital Reorganisation), the Rights Issue is conditional upon the minority Shareholders’ approval at the EGM, and any controlling shareholders (as defined in the Listing Rules) of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent nonexecutive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution in relation to the Rights Issue at the EGM.

As at the Latest Practicable Date, the Company has no controlling shareholder as defined under the Listing Rules and none of the Directors and chief executives of the Company and their respective associates is interested in any Shares. Therefore, no Shareholder is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

The Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date. 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 7.27B of the Listing Rules.

LETTER FROM VINCO FINANCIAL

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Lai Fun Yin, Mr. Cheung Wai Kin and Ms. Luo Yanling, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. In this connection, the Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

We, Vinco Financial Limited, have been appointed and approved by the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders on the Rights Issue. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the Rights Issue are on normal commercial terms, fair and reasonable, are in the interest of the Company and the Shareholders as a whole and whether to vote in the favour of the resolutions to be proposed at the EGM to approve the Rights Issue so far as the Independent Shareholders are concerned.

OUR INDEPENDENCE

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue of the Company. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fee or benefit from the Group and its associates. During the past two years, there was no engagement between the Group and us. Also, we are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we consider that we are eligible to give independent advice on the proposed Rights Issue and the transactions contemplated thereunder of the Company.

LETTER FROM VINCO FINANCIAL

BASIC OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the management of the Company.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter.

We have not considered the taxation and regulatory implications on the Group or the Independent Shareholders as a result of the Rights Issue since these depend on their individual circumstances, and if in any doubt, should consult their own professional advisers. We will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Rights Issue.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. In rendering our opinion in the Circular, we have researched, analyzed and relied on (i) the interim report of the Company for the six months ended 31 March 2025 (the “**Interim Report 2025**”); (ii) the annual report of the Company for the year ended 30 September 2024 (the “**Annual Report 2024**”); (iii) the latest management account of the Group; (iv) the Placing Agreement; and (v) market information obtained from the website of the Stock Exchange. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Rights Issue, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

LETTER FROM VINCO FINANCIAL

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Rights Issue and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, we have taken into account the following principal factors and reasons:

1. Business and financial information of the Group

Information of the Group

The Company is an investment company listed on the main board of the Stock Exchange under Chapter 21 of the Listing Rules. The Group is principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC.

Business and financial performance of the Group

Set out below is a summary of (i) the audited consolidated financial information of the Group for the two years ended 30 September 2023 (“FY2023”) and 30 September 2024 (“FY2024”); and (ii) the unaudited consolidated financial information of the Group for the six months ended 31 March 2024 (“HY2024”) and 31 March 2025 (“HY2025”) which were extracted from the Annual Report 2024 and Interim Report 2025 respectively:

	For the six months ended		For the year ended	
	31 March		30 September	
	2025	2024	2024	2023
	HK\$'	HK\$'	HK\$'	HK\$'
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	(278,058)	48,513,038	(2,332,034)	(93,881,801)
Profit/(Loss) for the period/year attributable				
to the equity holders of the Company	(7,230,443)	18,384,344	(19,915,626)	(149,059,636)

LETTER FROM VINCO FINANCIAL

	As at 31 March 2025 HK\$' (unaudited)	As at 30 September 2024 HK\$' (audited)	2023 HK\$' (audited)
Cash and cash equivalents	17,558,378	25,178,400	33,106,031
Total assets	343,368,278	352,974,554	378,594,326
Total liabilities	43,092,583	45,468,416	58,743,479
Net assets	300,275,695	307,506,138	319,850,847

HY2025 vs HY2024

According to the Interim Report 2025, the Group recorded negative turnover in the amount of approximately HK\$278,000 in HY2025, representing turnover in revenue as compared to positive revenue in the amount of approximately HK\$48.51 million in HY2024. According to the Interim Report 2025, the decrease was mainly due to the unsatisfactory performance of listed securities held by the Group. The Group recorded a net loss in HY2025 in the amount of approximately HK\$7.2 million as compared to that a net profit in HY2024 in the amount of approximately HK\$18.4 million. The decrease in loss was mainly because of the performance of Group's listed investments changed from gain of approximately HK\$41.4 million in six months ended 31 March 2024 to loss of approximately HK\$7.4 million in HY2025. The loss on listed investments in HY2025 of approximately HK\$7.4 million principally represented net realised loss of approximately HK\$3.8 million and net unrealised loss of approximately HK\$3.6 million invested in listed securities.

The Group's cash and cash equivalents amounted to approximately HK\$17.6 million as at 31 March 2025, representing a decrease of approximately HK\$7.6 million or 30.2%, as compared to that of approximately HK\$25.2 million as at 30 September 2024. The Group's total assets as at 31 March 2025 amounted to approximately HK\$343.4 million. The Group's net assets amounted to approximately HK\$300.3 million as at 31 March 2025, representing a decrease of approximately 2.3% as compared to that of approximately HK\$307.5 million as at 30 September 2024.

FY2024 vs FY2023

According to the Annual Report 2024, the Group reported a negative revenue (comprising net loss on listed and unlisted stocks, dividend income and interest income from bonds investments) of approximately HK\$2.3 million in FY2024, representing a decrease of negative revenue of approximately 97.6% as compared to the amount of approximately HK\$93.9 million in FY2023. Such decrease in loss was mainly because of the net loss on financial assets at fair value through profit or loss ("FVTPL") amounted to

LETTER FROM VINCO FINANCIAL

approximately HK\$22.2 million in FY2024, representing a decrease of 80.4% of loss as compared to that in FY2023 in the amount of approximately HK\$113.0 million. The Group recorded a net loss attributable to equity holders of the Company of approximately HK\$19.9 million in FY2024, representing a decrease of approximately 86.7% as compared to the amount of approximately HK\$149.1 million in FY2023. Such improvement was mainly due to the (i) decrease in net loss on financial assets at FVTPL and (ii) decrease in impairment losses under expected credit loss model, net of reversal.

The Group's cash and cash equivalents amounted to approximately HK\$25.2 million as at 30 September 2024, which decreased by approximately HK\$7.9 million, as compared to that of approximately HK\$33.1 million as at 30 September 2023. The Group's total assets as at 30 September 2024 amounted to approximately HK\$353.0 million and its total liabilities as at 30 September 2024 amounted to approximately HK\$45.5 million. The Group's net assets amounted to approximately HK\$307.5 million as at 30 September 2024, representing a decrease of approximately 3.9% as compared to that of approximately HK\$319.9 million as at 31 December 2023. Such decrease was mainly due to decrease in (i) prepayments, deposits and other receivables; and (ii) cash and cash equivalents in FY2024. The gearing ratio, which is calculated based on the Group's total interest-bearing liabilities divided by total equity, was 14.0% as at 30 September 2024 (2023: 17.2%).

Prospects and outlook of the Group

As disclosed in the Interim Report 2025, the global stock markets generally have a better performance compared to that in 2024. Hang Seng Index (“**HSI**”) maintained the rising trend in the first quarter of 2025. The HSI increased from 21,134 points as at 30 September 2024 to 23,120 points as at 31 March 2025. In order to further assess the securities market in Hong Kong, we have performed desktop research and according to the research paper titled “A Review of the Global and Local Securities Markets in 2024” released by the SFC, the HSI rose approximately 17.7% in 2024, outperforming most major overseas markets. Market sentiment improved following optimism over policy support introduced by the PRC authorities, which spurred international investors' confidence in Mainland-related stocks. The average daily turnover in the Hong Kong stock market rose approximately 25.5% to approximately HK\$131.8 billion in 2024 from the approximately HK\$105.0 billion in 2023, with increased trading across different types of securities. Meanwhile, the Shanghai Composite Index (“**SHCOMP**”) and Shenzhen Composite Index (“**SZCOMP**”) also rose approximately 12.7% and 6.5% respectively in 2024. The average daily turnover in the PRC market rose by approximately 20.2% to approximately RMB1,051 billion from approximately RMB874 billion in 2023.

In 2025, the benchmark HSI rose to as much as 25,767 points on 24 July 2025, the highest level since February 2022. The daily average turnover of the Hong Kong stock market has surpassed HK\$200 billion since February of 2025, in according to the SFC (<https://www.sfc.hk/en/Published-resources/Statistics>) that the average daily turnover for

LETTER FROM VINCO FINANCIAL

Main Board has been increased from approximately HK\$186.8 billion in the fourth quarter of 2024 to approximately HK\$237.6 billion in the second quarter of 2025. The market capitalisation of the securities market of Main Board in Hong Kong has increased from approximately HK\$35,264.8 billion in the fourth quarter of 2024 to approximately HK\$42,625.0 billion in the second quarter of 2025 and further increased to approximately HK\$44,900.0 billion in July 2025.

Although most global equity markets posted solid gains in the second half of 2025 as the market sentiment improved, the US administration has proposed a slew of executive orders, with reforms related to world trade, immigration and global geopolitics, which have caused increased levels of uncertainty and volatility as markets digest the raft of policy changes. If the US tariffs policy uncertainty continues and trade wars worsen, a sharp slowdown may inject further market volatility across major economies.

2. Reasons for and benefits of the Rights Issue and use of proceeds

As set out in the Board Letter, according to the Annual Report 2024, the Group's cash and bank balances (including cash balance held in securities accounts) as at 30 September 2024 amounted to approximately HK\$25.2 million. The Group has margin payable of approximately HK\$43.0 million as at 31 March 2025. Accordingly, the Group recorded a net negative cash position of approximately HK\$17.8 million. In HY2025, the Group has recorded cash and bank balance (including cash balance held in securities accounts) of approximately HK\$17.6 million and margin payables of approximately HK\$41.5 million, which represented a net negative cash position of approximately HK\$23.9 million as at 31 March 2025. The margin payables have to be repaid on demand, and if lenders call the margin loans, the Group will realise its investments to settle the margin payables.

Owing to the business nature of the Group, being an investment company, the Group requires extensive cash to grow. Unlike other companies with regular cash revenues from operations, investments of investment companies under Chapter 21 of the Listing Rules do not necessarily generate sufficient cash for its operations and its cash position is largely dependent on the market conditions and its investment strategies. The Group's revenues mainly comprise of amounts received and receivable on investments, net profit/loss on financial assets at fair value through profit or loss, dividend income and interest income. As mentioned above, the Group has recorded a net negative cash position of approximately HK\$17.6 million as at 31 March 2025. Should there be any change in the market value or fair value of the investments or the investment conditions becomes aversive, there is a risk that the Group may not generate sufficient cash for its investment activities. With the view of the eminent performance of the stock markets of Hong Kong and the USA during the first half of year 2025 and taking into account the net negative cash position of the Group of approximately HK\$23.9 million as at 31 March 2025, the Directors consider that the cash position on hand will not be sufficient for the Group to capture suitable

LETTER FROM VINCO FINANCIAL

investment opportunities as they arise in the near future. In summary, the Group, being an investment company by nature, requires readily available funds for capturing suitable investment opportunities in a timely fashion to provide investment returns to the Group and Shareholders.

As discussed with the Directors, they consider that the cash position on hand will not be sufficient for the Group to capture suitable investment opportunities which may arise any time for expanding its investment portfolios and business and continue the growing performance without additional funding. As such, the Group would like to raise addition capital to equip itself with a healthier and stronger capital base to further invest in both the securities market and for future strategic investments when suitable opportunities arise to produce a satisfactory result. Having considered that (i) the conditions or sentiment of capital markets are still optimistic, should listed and/or unlisted investment opportunities arise, investment decisions have to be made promptly. If the Group does not have sufficient resources to finance such investment opportunities, the Group may lose chance to capture the growth of the investments and (ii) the Company recorded a net negative cash position of approximately HK\$17.6 million as at 31 March 2025, therefore we are of the view that the Group is in the genuine need for funding for their potential investment in listed and unlisted securities as investment opportunities may not be available for a period of time or wait until the Group has obtained sufficient funding. Sufficient immediately available funding can allow the Group to respond promptly should such investment opportunities arise.

Use of Proceeds

The gross proceeds from the Rights Issue will be approximately HK\$54.0 million. The estimated net proceeds from the Rights Issue after deducting all necessary expenses will be approximately HK\$52.9 million, assuming no material fluctuations in the stock market and after receiving the proceeds from the Rights Issue, the Company intended to apply (i) approximately HK\$29.0 million for the investment in listed securities in the industries of media and entertainment, financial services and related businesses, and construction in Hong Kong, the PRC and the USA by 31 March 2027; (ii) approximately HK\$18.0 million for the investment in unlisted debt securities in the industries of media and entertainment, financial services and related businesses, and construction mainly in Hong Kong, the PRC and the USA by 31 March 2027; and (iii) the remaining of approximately HK\$5.9 million for general working capital needs (being “directors’ fee, salaries, investment manager’s fee, audit fee, valuation fee and rental expenses”) of the Group by 31 March 2027. If the Rights Shares are not fully subscribed, the Group will reduce the proposed size of investments in listed securities and unlisted debt securities proportionally. The proposed investments are in line with the investment objectives of the Company.

We noted that a majority of the estimated net proceeds will be utilised to invest in listed and unlisted securities in various industries, including but not limited to media and entertainment, financial services and related businesses, and construction mainly in Hong Kong, the PRC and the USA. This helps to maintain a balance in the Company’s exposure to different

LETTER FROM VINCO FINANCIAL

industry sectors in order to minimise the effect on the Company of any downturn in any particular sector. After discussed with the management of the Company, we noted that the proposed investments in the industries mentioned above do not override the Company's investment policies. We also noted that the Company tends to invest in the listed and unlisted companies in different industries. This could diversify the investment portfolio of the Company and reduce risks for investing for only one sector.

We have taken into account the major reasons as to the Company's intentions to invest in the industries mentioned above.

As mentioned in the Board Letter, the Board considers the investments in the industries of media and entertainment, financial services and related businesses, and construction will be promising investments. All these industries are with blooming prospects.

The Company had identified that the said industries are fast growing economy in China, and with a population of 1.4 billion, China plays an important and influential role in the global economy. With the world's second-largest economy and a growing middle class, China is experiencing surging demand for banking, insurance, and asset management. Hong Kong continues to solidify its position as a global financial hub, contributing nearly 25% of its GDP through financial services and consistently ranking among the world's top financial centres. The Company had indicated in their analysis that with the securities trading activities in all Shanghai, Shenzhen and Hong Kong are becoming more frequent, in view of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the Company had produced reasoning for its intentions to invest in the financial services industry. Again, the industry of financial service and other related businesses in the USA is the leading one in the world. It is about tapping into the backbone of the global economy. The USA leads in financial technology, with startups and incumbents driving innovations in digital banking, blockchain, robo-advisors, and AI-powered analytics.

In addition, the Company had noted that with such fast-growing economy and its large population, the expectations of the people's livelihood need in China would like-wise increase. The Company had identified the success of the media and entertainment industry in China by mentioning (i) the significant transformative shifts to short drama platform have emerged in recent years; (ii) outstanding results brought by the box office of "Ne Zha 2"; and (iii) successful launched of "Black Myth: Wukong", an action role-playing game developed and published by Game Science in PRC. With a population exceeding one billion and rising middle-class consumption, China offers unmatched scale for content distribution and monetization. Hong Kong is adopting mega event economy ("**Mega Event Economy**"). At the same time, Hong Kong is embracing the concept of a Mega Event Economy. The city is increasingly hosting large-scale cultural and sporting events, supported by initiatives such as the Mega Arts and Cultural Events Fund and the Kai Tak Sports Park, turning it into a live entertainment magnet. The media

LETTER FROM VINCO FINANCIAL

and entertainment industry in the USA takes the leading role in the world. It spans movies, music, gaming, streaming, publishing, and live events-each with global reach and monetization potential.

Meanwhile, China's rapid urban expansion continues unabated, with new cities, industrial zones, and transport networks being developed at an extraordinary pace. In parallel, the Hong Kong government is making substantial investments in infrastructure, including transportation, energy, and healthcare, to support long-term growth and enhance the city's global competitiveness. Hence, Hong Kong anticipates stable growth fuelled by the government's investment in large-scale infrastructure and development initiatives, including the Northern Metropolis project, which aims to develop a new economic and residential hub adjacent to Mainland China. The construction industry contributes significantly to the growth of the United States economy. In the USA, the construction industry's output is a significant component of the Gross Domestic Product (GDP), accounting for approximately 4% of the nation's GDP. Infrastructure development projects, such as highways, bridges, airports, and seaports, are vital to economic growth, as they create a conducive environment for businesses to operate and expand. Hence the intentions to invest in the construction industry to be deemed reasonable.

The remaining part of the estimated net proceeds is intended for general working capital of the Group. After reviewing the working capital forecast of the Company, approximately HK\$5.9 million of working capital (i.e. "directors' fee, salaries, investment manager's fee, audit fee, valuation fee and rental expenses") is needed by 31 March 2027. With reference to the existing cash and bank balances, other internally generated funds, the available banking facilities and the estimated net proceeds from the Rights Issue, the Directors are of the opinion that the Company would be able to support its working capital for at least the next 12 months. However, as discussed above, the current cash level may not be sufficient to support increase in the size of Company's investment portfolio, it will require additional cash to make investments.

In view of the above, the Company had indicated reasons for its intentions to invest in listed and unlisted companies engaged in the industries including but not limited to media and entertainment, financial services and related businesses, and construction mainly in Hong Kong, the PRC and the USA. We are of view that the above industries that the Company intends to invest the net proceeds from the Rights Issue is fair and reasonable in the interest of the Company and the Shareholders as a whole.

LETTER FROM VINCO FINANCIAL

Other fund-raising alternatives

With reference to the discussion with the management of the Group, the Board considers raising funds by way of the Rights Issue is a better alternative than other debt/equity fund raising alternatives such as bank borrowings, issue of new shares and open offer.

In respect of bank borrowing or debt financing, the Board is of the opinion that it will usually incur interest burden on the Group and may not be achievable on favourable terms on a timely basis, due to possibility of being subject to, including but not limited to, lengthy due diligence and negotiations with banks as well as pledge of assets by the Group. The Board expects it would take not less than one year to obtain the bank borrowings, if the Company considers this financing alternative. Given the Company does not have material tangible assets in Hong Kong and the fluctuating financial performance of the Group, the Directors are of the view that it may be difficult to obtain bank borrowings/debt financing with terms which the Group considers acceptable, and incurring additional debts will increase the Group's liabilities burden compared to Rights Issue.

As for equity fund raising, the Board considers placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. In particular, placing is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. The Board expects it would take approximately six to nine months to complete the placing of new shares of the Company, if the Company considers this financing alternative. As opposed to an open offer which does not allow the trading of rights entitlements, the Rights Issue is pre-emptive in nature, as it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also allows the Qualifying Shareholders to (a) increase their respective shareholding interests in the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective shareholding interests in the Company by disposing of their rights entitlements in the open market (subject to the market demand). Further, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs.

Having considered the abovementioned alternatives, we consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to meet its capital needs and to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company. If the Company considers open offer to finance its investments and working capital, the Board expects it would take less than six months to complete this financing alternative.

LETTER FROM VINCO FINANCIAL

Based on the above, we concur with the Director's view that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Rights Issue

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date at the Subscription Price of HK\$0.12 per Rights Share, to raise up to approximately HK\$54.0 million before expenses by way of issuing up to 450,128,249 Rights Shares (assuming full subscription under the Rights Issue and there is no change in the total number of issued Shares on or before the Record Date other than the Capital Reorganisation). The Rights Issue is only available to the Qualifying Shareholder at the close of business on the Record Dates. Details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.12 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	450,128,249 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	450,128,249 Adjusted Shares (assuming there is no change in the number of Shares in issue up to the effective date of the Capital Reorganisation)
Number of Rights Shares (Shares to be issued pursuant to the Rights Issue)	:	450,128,249 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) with an aggregate nominal value of HK\$4,501,282.49

LETTER FROM VINCO FINANCIAL

Total number of Adjusted Shares in issue upon completion of the Rights Issue	:	450,128,249 Adjusted Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Gross proceeds from the Rights Issue	:	Approximately HK\$54.0 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares.

Assuming no change in the number of Shares in issue on or before the Record Date, other than the Capital Reorganisation becoming effective, the aggregate 450,128,249 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 100% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and 50% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

The Subscription Price

The Subscription Price is HK\$0.12 per Rights Share, which shall be payable in full by the Qualifying Shareholders upon acceptance of the relevant provisional allotment of the 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 19.5% to the adjusted closing price of HK\$0.149 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.149 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 27.3% to the adjusted closing price of HK\$0.165 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.165 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM VINCO FINANCIAL

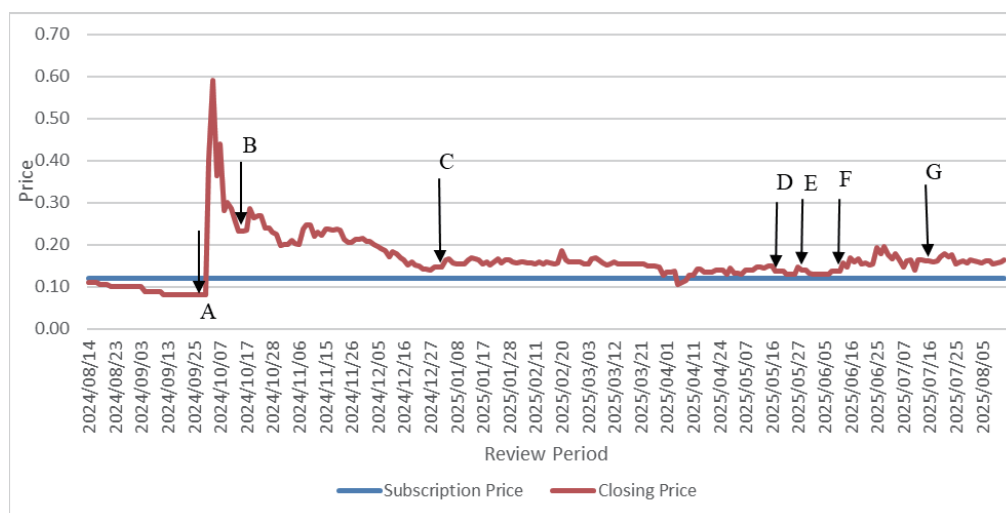
- (iii) a discount of approximately 24.8% to the adjusted average closing price of HK\$0.1596 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.1596 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 25.0% to the adjusted average closing price of HK\$0.1599 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of approximately HK\$0.1599 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 24.4% to the adjusted average closing price of HK\$0.1588 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.1588 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (vi) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 13.6%, based on the theoretical diluted price of HK\$0.1425 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK\$0.165 (taking into account the effect of the Capital Reorganisation) per Adjusted Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of HK\$0.165 per Existing Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average closing price of HK\$0.1588 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day); and
- (vii) a discount of approximately 82.0% to the unaudited consolidated net asset value (“NAV”) per Adjusted Share of approximately HK\$0.667 based on the unaudited consolidated NAV of the Company of approximately HK\$300.3 million as at 31 March 2025 and the total number of 450,128,249 Adjusted Shares in issue immediately upon completion of the Capital Reorganisation.

As stated in the Board Letter, the Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions, details are disclosed under the paragraph headed “The Subscription Price” in the Board Letter; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section head “Reasons for the Rights Issue and Use of Proceeds”, and the amount of funds the Company intends to raise under the Rights Issue in the Circular.

LETTER FROM VINCO FINANCIAL

In order to assess the fairness and reasonableness of the Subscription Price, we have taken into account (i) the theoretical closing price per Share during the one year ended the date of the Announcement (being a period of approximately one year prior to and including the Last Trading Day) (the “**Review Period**”), with a view to provide a meaningful comparison to the Subscription Price under the Rights Issue (the “**Closing Price**”); and (ii) the average daily trading volumes of the Adjusted Shares for each of the months/periods during the Review Period.

We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical adjusted closing prices prior to the Announcement as (i) the 1-year period represents a reasonable period to reflect the performance of the closing price of the Shares in response to the prevailing market condition and operating condition; (ii) a shorter review period can only demonstrate the Share price performance in a limited and specific time which may be distorted by specific events; and (iii) it is commonly used for analysis purposes. Besides, such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represent a fair market value of the Company, the Shareholders expected, while that after the Announcement, the value may have taken into account the potential upside of the Rights Issue which may distort the analysis. The chart below illustrates the Closing Price versus the Subscription Price of HK\$0.12 per Share:



Source: The website of the Stock Exchange (<http://www.hkex.com.hk>)

LETTER FROM VINCO FINANCIAL

Notes:

- | | | |
|---------|---|--|
| Event A | – | Publication of the announcement regarding termination of Investment Manager Agreement on 2 October 2024 |
| Event B | – | Publication of the announcement regarding the NAV per Share of the Company as at 30 September 2024 on 15 October 2024 |
| Event C | – | Publication of the results announcement for the year ended 30 September 2024 on 30 December 2024 |
| Event D | – | Publication of the announcement regarding profit warning for the six months ended 31 March 2025 on 19 May 2025 |
| Event E | – | Publication of the announcement regarding interim results announcement for the six months ended 31 March 2025 on 29 May 2025 |
| Event F | – | Publication of the 2024/2025 Interim Report on 11 June 2025 |
| Event G | – | Publication of the announcement regarding change of Investment Manager on 15 July 2025 |

During the Review Period, the Shares traded between a range of HK\$0.590 on 3 October 2024 and HK\$0.080 from 12 September 2024 to 30 September 2024 with an average closing price per Share of approximately HK\$0.163. The Subscription Price represents (i) a premium of approximately 50.00% to the lowest closing price per Share (i.e. HK\$0.080); (ii) a discount of approximately 79.66% to the highest closing price per Share (i.e. HK\$0.590); and (iii) a discount of approximately 26.53% to the average closing price per Share (i.e. HK\$0.163) during the Review Period.

LETTER FROM VINCO FINANCIAL

As illustrated in the graph above, the closing price was traded generally higher than the Subscription Price. The closing price was trading below the Subscription Price since commencement of the Review Period, the closing prices per Share suddenly experienced a surge from HK\$0.080 on 30 September 2024 to HK\$0.590 on 3 October 2024 after the Company announced the termination of investment manager agreement announcement on 2 October 2024. After reaching its highest Share price on 3 October 2024, the closing prices per Share experienced a sudden drop during the period from 4 October 2024 to 30 December 2024, during such period the Company announced its annual results announcement for the year ended 30 September 2024. Subsequently, the closing price per Share generally remained stable and traded within narrow range from HK\$0.105 to HK\$0.195 during the remaining of the Review Period. During such period, the Company announced (i) a profit warning announcement on 19 May 2025; (ii) the interim results announcement for the six months ended 31 March 2025 on 29 May 2025; (iii) the interim report for the six months ended 31 March 2025 on 11 June 2025; and (iv) an announcement regarding change of investment manager on 15 July 2025.

After reviewing the Company's announcements, we do not notice any specific reasons for the aforementioned movements of the closing price during the Review Period. As discussed with the management of the Company, they were not aware of any particular reason that contributed to the fluctuations in the closing price per Share during the Review Period aside from the aforementioned events.

Taking into consideration that (i) the Subscription Price falls within the aforesaid historical closing price range during the Review Period; (ii) the low liquidity of the Shares as discussed in sub-section headed "Liquidity of the Shares" below in this letter; (iii) the funding needs of the Group for their potential investment in listed and unlisted securities with an aim to grow the investment portfolio of the Company as discussed in the section headed "2. Reasons for and benefits of the Rights Issue and use of proceeds" above in this letter; (iv) the Subscription Price is within the range in the comparable analysis as discussed in the sub-section headed "Comparison with other rights issue transactions" below in this letter; and (v) the latest business performance and financial position as discussed in the sub-section headed "Business and financial information of the Group" above in this letter, we consider that the discount of the Subscription Price is fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM VINCO FINANCIAL

Liquidity of the Shares

The table below sets out the average daily trading volume of the Shares per month/period and the respective percentages of the average daily trading volume as compared to the total number of issued Shares during the Review Period:

		Total trading volume of the Shares in the month/period	Number of trading days in the month/period	Average daily volume of the Shares in the month/period	Shares at the end of the month/period	Percentage of average daily trading volume to total number of Shares (approximately)
2024	August	11,200	13	862	420,128,249	0.0002%
	September	238,440	19	12,549	420,128,249	0.0030%
	October	325,347,405	21	15,492,734	450,128,249	3.4418%
	November	14,730,000	21	701,429	450,128,249	0.1558%
	December	13,959,240	20	697,962	450,128,249	0.1551%
2025	January	6,823,596	19	359,137	450,128,249	0.0798%
	February	20,925,408	20	1,046,270	450,128,249	0.2324%
	March	6,977,024	21	332,239	450,128,249	0.0738%
	April	20,497,322	19	1,078,806	450,128,249	0.2397%
	May	3,526,403	20	176,320	450,128,249	0.0392%
	June	47,833,600	21	2,277,790	450,128,249	0.5060%
	July	44,449,319	22	2,020,424	450,128,249	0.4489%
	August (up to and including the Last Trading Day)	5,010,016	9	556,668	450,128,249	0.1237%

Source: The website of the Stock Exchange (<http://www.hkex.com.hk>)

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month.

As illustrated in the table above, the percentage of average daily trading volume of Shares during the Review Period ranged from 0.0002% to approximately 3.4418% of the total number of issued Shares for each of their respective month/period. The above statistics show that the liquidity of the Shares was relatively thin during the Review Period.

Regarding the liquidity of the Shares, as shown in the table above, the highest average daily volume was approximately 325.3 million Shares in October 2024, representing approximately 3.4418% of the total number of Shares as at the end of the month. After our discussion with the management of the Company, the Company is also not aware of any

LETTER FROM VINCO FINANCIAL

reason for the increase in trading volume in October 2024. Considering that the trading liquidity of the Shares were in general relatively thin during the Review Period, we are of the view that it is reasonable for the Subscription Price to be set at a discount to the Average Closing Price in order to attract the Qualifying Shareholders to participate in the Rights Issue.

Comparison with other rights issue transactions

In order to assess the fairness and reasonableness of the Subscription Price, we exhaustively conducted a search of recent proposed rights issue three months prior to the Last Trading Day (the “**Comparison Period**”) to understand the trend of the recent market practice. We consider that the Comparison Period is appropriate, fair and representative because (i) the comparables are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions; and (ii) sufficient number of comparables were identified during the Comparison Period. Based on our research, we have identified an exhaustive list of 17 rights issue comparables (the “**Comparables**”) during the Comparison Period.

We noted that the business activities and the terms of the rights issue of the Comparables may not be directly comparable to the business activities carried out and the terms of the rights issue announced by the Group due to the differences in business activities and performances. Although the Comparables included rights issue on different basis of entitlement, and involved issuers which engaged in different business or with different financial performance and funding needs from the Company, we consider that the Comparables are suitable to serve as general reference for the purpose of an assessment on the Subscription Price, as (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly concerned with the comparison of subscription price to closing price, NAV, maximum dilution on the shareholding and theoretical dilution effect; (iii) a three-month period for the selection of the Comparables has resulted in the generation of a reasonable sample size; and (iv) the Comparables were included without any artificial selection or filtering on our part. Since there are a sufficient number of Comparables under the selection criteria mentioned above, we are of the view that they represented a true and fair view and representative samples of the recent market trends for rights issue and are sufficient for assessing the fairness and reasonableness of the Rights Issue.

LETTER FROM VINCO FINANCIAL

Date of announcement	Company name	Stock code	Basic of entitlement	Maximum dilution on the shareholding	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to closing price per share on the last trading day prior to announcement of rights issue	Premium/ (discount) of the subscription price over to the NAV per share	Premium/ (discount) of theoretical dilution effect	Excess Placing	Placing commission (Note 1)	Underwriting arrangement	Underwriting fee	Minimum placing commission
				(%)	(%)	(%)	(Note 2)	(Note 3)	(%)		(%)	HKS
13 August 2025	China Information Technology Development Limited	8178	3 for 8	37.50	(55.05)	(55.24)	(15.12)	Underwriting	N/A	Fully underwritten	N/A	No
6 August 2025	Value Convergence Holdings Limited	821	2 for 1	200.00	(4.26)	(5.86)	(3.11)	Placing	2.50	Non-underwritten	N/A	No
4 August 2025	Tomo Holdings Limited	6928	1 for 2	33.33	(62.10)	(63.20)	(21.30)	Placing	1.00	Non-underwritten	N/A	No
31 July 2025	Da Yu Financial Holdings Limited	1073	1 for 2	33.33	(16.67)	(18.92)	(6.67)	Excess application	N/A	Non-underwritten	N/A	No
25 July 2025	Shin Hwa World Limited	582	1 for 1	100.00	(34.21)	(33.07)	(17.11)	Excess application & Underwriting	N/A	Non-underwritten	1.00	No
23 July 2025	Future Machine Limited	1401	1 for 2	33.33	(72.28)	(72.28)	(28.61)	Placing	1.00	Non-underwritten	N/A	No
8 July 2025	Alco Holdings Limited	328	4 for 1	80.00	(19.00)	(19.00)	(15.52)	Placing	1.50	Non-underwritten	N/A	No
7 July 2025	Sameery Group Limited	2459	1 for 2	33.33	(55.60)	(56.30)	(18.80)	Placing	3.50	Non-underwritten	N/A	100,000
25 June 2025	Sino Splendid Holdings Limited	8006	3 for 2	60.00	(11.10)	(12.10)	(6.67)	Placing	2.50	Non-underwritten	N/A	No
17 June 2025	Risecomm Group Holdings Limited	1679	5 for 1	83.33	(22.48)	(21.63)	(18.73)	Placing	0.50	Non-underwritten	N/A	No
10 June 2025	Greenheart Group Limited	94	1 for 2	33.33	(9.25)	(4.97)	(3.00)	Placing	2.00	Non-underwritten	N/A	150,000
10 June 2025	Prestone Capital Limited	804	3 for 2	60.00	(40.71)	(41.55)	(24.93)	Placing	5.00	Non-underwritten	N/A	No
4 June 2025	Hawkingtech International Holding Limited	2440	1 for 2	33.33	(49.70)	(50.00)	(16.70)	Excess application	N/A	Non-underwritten	N/A	No
2 June 2025	Lvji Technology Holdings Inc.	1745	1 for 2	33.33	(32.10)	(33.10)	(11.30)	Excess application	N/A	Fully underwritten	7.07	No
23 May 2025	Grand Talents Group Holdings Limited	8516	5 for 2	71.43	(33.00)	(33.00)	(23.57)	Placing	3.00	Non-underwritten	N/A	No
22 May 2025	China Health Group Limited	673	3 for 10	23.08	(28.60)	(37.10)	(Note 4) N/A	Placing	2.00	Fully underwritten	0.00	No
15 May 2025	Zhongzheng International Company Limited	943	1 for 2	33.33	-	-	-	Placing	2.00	Fully underwritten	0.00	No
	Maximum			200.00	-	-	-		5.00		7.07	150,000
	Minimum			23.08	(72.28)	(72.28)	(24.93)		0.50		0.00	100,000
	Average			59.03	(30.69)	(31.38)	(14.10)		2.21		2.02	125,000
	Median			33.33	(30.35)	(33.04)	(16.70)		2.00		0.50	125,000
The Company		2324		100.00	(27.30)	(24.50)	(13.60)	Placing	3.00	Non-underwritten	N/A	100,000

LETTER FROM VINCO FINANCIAL

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Information has been extracted from the relevant announcements or circulars of the rights issue of the respective Comparables.
2. The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Rules Governing the Listing of Securities on the Stock Exchange or Rule 10.44A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rule**”), or extracted from announcement, circular or prospectus in respect of the relevant rights issue.
3. Pursuant to Rule 7.21(1) of the Listing Rule or Rule 10.31(1) of the GEM Listing Rule.
4. This information is not disclosed in the relevant announcement of the respective Comparable.

According to our research, we observed that (i) 15 of the 17 Comparables had set the subscription price of their rights issue at a discount to the prevailing closing price of their shares on the last trading day in relation to their respective rights issue (the “**LTD Price**”); (ii) 15 of the 17 Comparables had set the subscription price of their rights issue at a discount to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day (the “**5-Day Discount Price**”); and (iii) 10 of the 17 Comparables had set the subscription price of their rights issue at a discount to the NAV per share. It indicates that it is common for listed companies to set the subscription price of rights issue at a discount to the LTD Price, 5-Day Discount Price and the NAV per share, with the view to encourage participation.

The subscription price to the LTD Price of the Comparables ranged from at par to a discount of approximately 72.28% with average and median discounts of approximately 30.69% and 30.35% respectively. The discount of approximately 27.30% of the Subscription Price to the LTD Price of the Company falls within the range of those of the Comparables and is lower than the average and the median of the Comparables.

The subscription price to the 5-Day Discount Price ranged from at par to a discount of approximately 72.28% with average and median discounts of approximately 31.38% and 33.04% respectively. The discount of approximately 24.80% of the Subscription Price to the 5-Day Discount Price of the Company falls within the range of those of the Comparables and is lower than the average and the median of the Comparables.

The subscription prices to the NAV per share of the Comparables ranged from a premium of approximately 50.20% to a discount of approximately 97.12% with average and median discount of approximately 43.79% and 53.45% respectively. The discount of approximately 82.00% of the Subscription Price to the NAV per share of the Company falls within the range of those of the Comparables, is more significant to the average of the Comparables. However, having considered that during the Review Period, the closing price of the Shares ranged between HK\$0.080 to HK\$0.590 per Share. The Shares traded at a

LETTER FROM VINCO FINANCIAL

discount to the NAV per Share on 210 out of 245 trading days, representing approximately 85.7% of the Review Period. This may suggest that investors might not value the Shares solely based on the Group's net assets. As such, the NAV per Share may not serve as a meaningful benchmark for assessing the fairness and reasonableness of the Subscription Price. Furthermore, setting the Subscription Price at or near the NAV per Share would imply a substantial premium to prevailing market price. This may not be commercially impractical and may discourage the Shareholders' participation in the Rights Issue and thereby undermine the objective of raising fund.

The theoretical dilution effect of the rights issue conducted by the Comparables ranged from nil to a discount of 24.93% with average and median discounts of approximately 14.10% and 16.70% respectively. The theoretical dilution effect of the Rights Issue of approximately 13.60% falls within the range of the Comparables and is lower than the average and the median of the Comparables.

Taking into account that (i) the Subscription Price generally falls below the Closing Price during the Review Period; (ii) the discounts of the Subscription Price to the LTD Price, the 5-Day Discount Price and the theoretical dilution effect of the Rights Issue fall within discount ranges of the Comparables and is lower than the average and median of those of the Comparables; and (iii) the NAV per Share of the Company falls within the range of the Comparables, we consider the Subscription Price is fair and reasonable.

As shown in the table of the Comparables above, it is common for listed issuers in Hong Kong to issue rights shares at a discount to prevailing market prices in order to enhance the attractiveness of the Rights Issue. We consider all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares under the Rights Issue and are offered the same discounts of the Subscription Price to the closing price of the Share and the same potential maximum dilution, we are of the view that the Subscription Price (together with its dilution effect) is fair and reasonable so far as the Independent Shareholders are concerned, and also in alignment with the market practice.

Among the Comparables, we noted that 12 out of 17 Comparables exercise placing in their rights issues. As such, we consider that it is reasonable for rights issue to have placing arrangements.

LETTER FROM VINCO FINANCIAL

The Placing Agreement

Extracted key terms of the placing agreement entered into on 13 August 2025, which is supplemented by another agreement dated 16 September 2025, are shown below:

Issuer : The Company

Placing Agent : Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder(s); and (ii) are Independent Third Parties.

Commission and expenses : The Company shall pay the Placing Agent a placing commission equivalent to (i) a fixed fee of HK\$100,000; or (ii) 3% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher.

Placing price : The placing price of each of the Placing Shares shall be not less than the Subscription Price. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of placement.

Placees : Any Professional Investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall be Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis pursuant to the Placing Agreement.

LETTER FROM VINCO FINANCIAL

For further details, please refer to section headed “Placing Agreement for Unsubscribed Rights Shares and NQS Unsold Rights Shares” in the Board Letter. As stated in the Board Letter, the terms of the Placing Agreement (including the commission payable) were determined after arm’s length negotiation between the Placing Agent and the Company with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. We are of the view that it is on normal commercial terms with reference to 17 rights issue exercises conducted by other companies listed on the Stock Exchange during the Comparison Period, the commission charged by placing agent in a rights issue exercise conducted on a non-underwritten basis generally ranged between 0.50% to 5.00%, with an average of approximately 2.21% and a median of 2.00%. Given the commission rate of 3.00% charged by the Placing Agent falls within the range of the Comparables and close to the average and median of the Comparables. In addition, minimum or fixed placing commission charged by the Comparables, ranged between HK\$100,000 to HK\$150,000, with an average of HK\$125,000 and a median of HK\$125,000. Given the fixed placing commission of HK\$100,000 charged by the Placing Agent falls within the range of the Comparables and lower than the average and median of the Comparables, we concur with the view of the Directors that the commission rate charged by the Placing Agent under the Placing is fair and reasonable and on normal commercial terms.

Pursuant to Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. The Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, we concur with the view of the Board that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company’s minority Shareholders.

LETTER FROM VINCO FINANCIAL

In particular, excess application is considered as a passive arrangement to facilitate additional participation of the Qualifying Shareholders. Taking into account the low liquidity of the Shares before the Last Trading Day, we consider it would be more desirable for the Company to adopt a more active measure by way of the Compensatory Arrangements to mitigate the uncertainty of the fundraising exercise.

Potential dilution effect

All the Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their entitlements in full under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Qualifying Shareholders who do not accept the Rights Issue can, subject to the then prevailing market conditions, consider selling their nil-paid rights to subscribe for the Rights Shares in the market.

The changes in shareholding structure of the Company arising from completion of the Rights Issue are set out in the section headed “EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY” in the Board Letter.

Immediately upon completion the Rights Issue, (i) assuming full acceptance by all Qualifying Shareholders under the Rights Issue; (ii) assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing; and (iii) assuming (a) no subscription by the Qualifying Shareholders; and (b) no Placing Shares are placed to Independent Third Parties under the Placing, the shareholding interests of the Qualifying Shareholders will be diluted by up to a maximum of 50.00%, which fall within the range of the Comparables.

Notwithstanding the potential dilution impact to the public Shareholders who do not participate in the Rights Issue, taking into consideration that (i) all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares so as to maintain their respective proportionate shareholding interest in the Company; (ii) the shareholding interest of the Qualifying Shareholders would not be diluted if they elect to subscribe for in full their assured entitlements; (iii) the dilution effect of the Rights Issue is within the range of that of the Comparables; (iv) the Compensatory Arrangements would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders; (v) the Rights Issue is an appropriate financing alternative under present circumstances of the Company; and (vi) the uses of the net proceeds from the Rights Issue as discussed in this letter is expected to be applied for, we are of the opinion that the potential dilution impact to the public Shareholders who do not participate in the Rights Issue as a result of the Rights Issue is acceptable.

LETTER FROM VINCO FINANCIAL

Financial effects of the Rights Issue

Net tangible assets

In light of the above, we are of the view that the overall financial impact to the Group upon completion of the Rights Issue is in the interest of the Company and the Shareholders. According to the “UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP” set out in the Appendix II to the Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company was approximately HK\$300.28 million as at 31 March 2025, while the unaudited consolidated net tangible assets per Share before completion of the Rights Issue was approximately HK\$0.67; upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately HK\$353.21 million, while the unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights issue was approximately HK\$0.39.

Gearing ratio and liquidity

According to the Interim Report 2025, as at 31 March 2025, the unaudited cash and cash equivalents of the Group was approximately HK\$17.6 million. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately HK\$70.5 million.

Upon the completion of the Rights Issue, the equity attributable to owners of Company would be enlarged by the expected net proceeds from the Rights Issue of approximately HK\$52.9 million. The gearing ratio was approximately 12.6% as at 31 March 2025.

RECOMMENDATION

Taking into consideration of the principal factors and reasons as set out in this letter, in particular, (i) the Group’s financial position as at 30 September 2024; (ii) its net loss making performance in FY2024; (iii) the funding needs of the Group for their potential investment in listed and unlisted securities with an aim to grow the investment portfolio of the Company; (iv) the Rights Issue being considered as a more preferential options as compared to other alternatives under the current circumstance of the Group; (v) the positive impact on the Group’s liquidity position as a result of the Rights Issue; and (vi) the Qualifying Shareholders can maintain and even increase their shareholding interest in the Company by participating into the Rights Issue, we are of the opinion that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholder as a whole.

LETTER FROM VINCO FINANCIAL

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Rights Issue and the transaction contemplated thereunder.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 30 September 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.capital-vc.com), respectively:

- (i) the audited consolidated financial statements of the Group for the year ended 30 September 2022 is disclosed in the annual report of the Company for the year ended 30 September 2022 published on 30 January 2023, from pages 49 to 139:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0130/2023013000315.pdf>
- (ii) the audited consolidated financial statements of the Group for the year ended 30 September 2023 is disclosed in the annual report of the Company for the year ended 30 September 2023 published on 31 January 2024, from pages 79 to 167:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0131/2024013100294.pdf>
- (iii) the audited consolidated financial statements of the Group for the year ended 30 September 2024 is disclosed in the annual report of the Company for the year ended 30 September 2024 published on 23 January 2025, from pages 76 to 175:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0123/2025012300387.pdf>
- (iv) the unaudited consolidated financial information of the Group for the six months ended 31 March 2025 is disclosed in the interim report of the Company for the six months ended 31 March 2025 published on 11 June 2025, from pages 3 to 16:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0611/2025061100525.pdf>

B. INDEBTEDNESS STATEMENT

As at 31 July 2025, the Group had margin financing of approximately HK\$34,575,000 with interest rates ranged from 8% to 9.5% per annum. The margin financing are secured by financial assets at fair value through profit or loss which are approximately HK\$75,217,000, repayable on demand and are guaranteed by the Company.

Save as disclosed above and apart from intra-group liabilities, the Company did not have any other outstanding bank or other borrowings, mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, guarantee, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase or other finance lease commitments or other contingent liabilities.

Saved as disclosed above, the Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Company since 31 July 2025 up to the Latest Practicable Date.

C. WORKING CAPITAL STATEMENT

As at the Latest Practicable Date, the Company has obtained a working capital sufficiency confirmation letter from its auditor as required under Rule 9.20(1) of the Listing Rules. The Directors, after due and careful consideration, are of the opinion that taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the working capital available to the Group is sufficient for the Group's requirements for at least the next twelve (12) months following the date of this Circular.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 30 September 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company is an investment company and its shares are listed on the Main Board of the Stock Exchange since 27 October 2003, pursuant to Chapter 21 of the Listing Rules. The Group will remain principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC.

In Year 2024, the global stock markets generally have a better performance compared to that in last year. Hang Seng Index ("HSI") maintained the rising trend in the second quarter of Year 2025. HSI increased from 21,134 points as at 30 September 2024 to 24,072 points as at 30 June 2025.

In such positive market atmosphere, the performance of Group's listed securities is in line with the market, and total gain of listed investments approximately HK\$21.0 million in the nine months ended 30 June 2025 was recorded.

In connection with unlisted investments, the Group generally maintained its bonds portfolio during the Period. Bond interest income of approximately HK\$10.6 million were recorded in the nine months ended 30 June 2025.

In accordance with the press release of economic performance in the second quarter of 2025 and latest GDP and price forecast 2025, which is issued by the Acting Government Economist of Hong Kong Government on 15 August 2025, the Hong Kong economy continued to expand solidly in the second quarter of 2025, supported by strong exports performance and improved domestic demand. Real GDP grew by 3.1% year-on-year in the second quarter, picking up slightly from the growth of 3.0% in the preceding quarter. On a seasonally adjusted quarter-to-quarter basis, real GDP rose further by 0.4%. Notwithstanding the ongoing uncertainties to global economy and trade brought about by the United States' (US) trade policy, resilient external

demand, together with some rush shipments in response to the US' temporary easing of tariff measures, supported Hong Kong's total exports of goods to see accelerated year-on-year growth of 11.5% in real terms in the second quarter. Meanwhile, thanks to strong growth in inbound tourism, sustained expansion in cross-boundary traffic, and vibrant financial and related business service activities amid the buoyant local stock market, exports of services continued to expand notably by 7.5% in real terms over a year earlier. The local stock market maintained upward momentum in the second quarter as market sentiment improved after the situation of trade tensions eased somewhat.

In addition to the anticipated recovery of the Hong Kong economy as mentioned above, the Company agreed the viewpoints of many analysts on the fed rate reduction in the second half of 2025. This would definitely be favourable to the global investment atmosphere.

Looking forward, in the environment of economy recovery in Hong Kong along with the probable downtrend of interest rate, we expect the global investment market will have better performance as compared to prior years. Even so, we will continue to adopt cautious measures to manage the Group's investment portfolio.

Looking forward, we expect the investment environment in the US and other advance economies will not be as stable as before. The US monetary and fiscal policies may have a dramatic change. Accelerating interest rate normalization may affect global investment atmosphere. In connection with the US foreign policy, Donald Trump may focus on the threat posted to the US by its trade relations with China. US may impose tariffs on various China products. Accordingly, the Directors consider that it will be a very challenging investment environment in this couple of years, and they will continue to adopt cautious measures to manage the Group's investment portfolio.

In view of the average share price of approximately HK\$0.163 of the Company in July 2025 which was traded below the Company's unaudited net asset value per share (HK\$0.8507) as at 31 July 2025, the Directors considered that the trading price of the Shares has yet reflected the intrinsic value of the Company and was undervalued by the investors under current market perception. Taking note of the current investment environment and the Group's proposed development to capture suitable investment opportunities in both listed and unlisted securities from time to time utilising proceeds from the Rights Issue, the Directors considered that it will strengthen the Group's asset and capital base which will be beneficial for the Group's business growth and development.

Up to the Latest Practicable Date, dividend policy of the Company does not set out specifically the proportion of net profits which will be distributed as dividend to Shareholders in the event the Group recorded net profits.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Introduction

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effects of the Rights Issue, on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025, as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 or any future date following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company derived from the unaudited condensed consolidated statement of financial position of the Group as at 31 March 2025 as extracted from the published interim report of the Company for the six months ended 31 March 2025, after incorporating the adjustments described in the accompanying notes.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 March 2025	Unaudited consolidated net tangible assets attributable to owners of the Company per Share as at 31 March 2025	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 March 2025	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 March 2025
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 HK\$'000 (Note 1)	Unaudited estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited consolidated net tangible assets attributable to owners of the Company as at 31 March 2025 HK\$'000 (Note 4)	Unaudited consolidated net tangible assets attributable to owners of the Company per Share as at 31 March 2025 HK\$'000 (Note 5)	Unaudited consolidated net tangible assets attributable to owners of the Company per Share as at 31 March 2025 HK\$'000 (Note 5)
Based on 450,128,249 Rights Shares to be issued at Subscription Price of HK\$0.12 per Rights Share	300,276	52,934	353,210	0.67
				0.39

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 were approximately HK\$300,276,000, which has been extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 March 2025, as shown on the published interim report of the Company for the six months ended 31 March 2025 by the Directors.
- The estimated net proceeds from the Rights Issue of approximately HK\$52,934,000 are based on 450,128,249 Rights Shares to be issued at HK\$0.12 per Rights Share after deducting estimated related expenses of approximately HK\$1,081,000 and assumed that no outstanding share options being exercised, and that there is no change in the number of issued shares from the date of the announcement on 31 March 2025 up to the record date.
- The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per adjusted share is based on 450,128,249 existing shares in issue as at 31 March 2025 (as adjusted by the capital reorganization, details refer to this Circular) (the “**Adjusted Share(s)**”).
- The calculation of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 per Adjusted Share before the completion of the Rights Issue is based on the unaudited condensed consolidated net tangible assets of the Group as at 31 March 2025 of approximately HK\$300,276,000, divided by 450,128,249 Adjusted Shares.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

5. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 per Adjusted Share immediately after the completion of the Rights Issue is based on unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 immediately after the completion of the Rights Issue of approximately HK\$353,195,000, being the aggregate unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2025 of approximately HK\$300,276,000 and the estimated net proceeds from the Rights Issue of approximately HK\$52,934,000, divided by 900,256,498 shares which represents the sum of 450,128,249 Adjusted Shares and 450,128,249 Rights Shares (assuming no new shares are issued and no repurchase of shares on or before the record date) were issued immediately after the completion of the Rights Issue, as if the Rights Issue had been completed on 31 March 2025.
6. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2025.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from Infinity CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Circular.



Infinity CPA Limited
Room 1501, 15/F., Olympia Plaza
255 King's Road, North Point, Hong Kong

The Board of Directors of
Capital VC Limited

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

We have completed our assurance engagement to report on the compilation of pro forma financial information of Capital VC Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 March 2025 and related notes as set out on pages II-1 to II-3 of the circular issued by the Company dated 23 September 2025 (the “**Circular**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of 1 rights share (“**Rights Share**”) for each adjusted share of the Company at the subscription price of HK\$0.12 per rights share (the “**Rights Issue**”) on the Group's condensed consolidated financial position as at 31 March 2025 as if the Rights Issue had taken place at 31 March 2025. As part of this process, information about the Group's condensed consolidated financial position has been extracted by the directors of the Company from the Group's condensed consolidated financial statements for the six months ended 31 March 2025, on which an interim report has been published.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

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

OUR INDEPENDENCE AND QUALITY MANAGEMENT

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

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

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

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

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

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the Rights Issue had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 March 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the Rights Issue in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

OPINION

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Infinity CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL**(a) Share capital as at the Latest Practicable Date**

Authorised: HK\$

<u>800,000,000</u>	Existing Shares of HK\$0.25 each	<u>200,000,000</u>
--------------------	----------------------------------	--------------------

Issued and fully paid: HK\$

<u>450,128,249</u>	Existing Shares of HK\$0.25 each	<u>112,532,062.25</u>
--------------------	----------------------------------	-----------------------

(b) Immediately following the Capital Reorganisation having become effective

Authorised: HK\$

<u>20,000,000,000</u>	Adjusted Shares of HK\$0.01 each	<u>200,000,000</u>
-----------------------	----------------------------------	--------------------

Issued and fully paid: HK\$

<u>450,128,249</u>	Adjusted Shares of HK\$0.01 each	<u>4,501,282.49</u>
--------------------	----------------------------------	---------------------

(c) Immediately following the Capital Reorganisation becoming effective and upon completion of the Rights Issue

Authorised: *HK\$*

<u>20,000,000,000</u>	Adjusted Shares of HK\$0.01 each	<u>200,000,000</u>
-----------------------	----------------------------------	--------------------

Issued and fully paid: *HK\$*

450,128,249	Adjusted Shares of HK\$0.01 each	4,501,282.49
-------------	----------------------------------	--------------

	Rights Shares to be allotted and issued under the Rights Issue	
<u>450,128,249</u>		<u>4,501,282.49</u>

	Shares in issue immediately upon completion of the Rights Issue	
<u>900,256,498</u>		<u>9,002,564.98</u>

All the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company will apply to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the equity and debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

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

3. DISCLOSURE OF INTERESTS**(a) Directors' and chief executive's interests and short positions in the Shares and underlying Shares**

As at the Latest Practicable Date, save as Mr. Kong Fanpeng, who holds 2,750,000 Shares, none of the Directors or chief executives had any interests and short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interest and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 September 2024, the date to which the latest published audited accounts of the Group were made up.

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

5. DIRECTORS' SERVICE CONTRACTS

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

6. COMPETING INTERESTS

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

7. LITIGATION

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

8. MATERIAL CONTRACTS

Save for the Placing Agreement, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular.

9. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular (collectively, the “**Experts**”):

Name	Qualification
Vinco Financial Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Infinity CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 30 September 2024, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$1.1 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors*Executive Directors*

Mr. Kong Fanpeng

Mr. Chan Cheong Yee

Independent non-Executive Directors

Ms. Lai Fun Yin

Mr. Cheung Wai Kin

Ms. Luo Yanling

Audit committeeMr. Cheung Wai Kin (*Chairman*)

Ms. Lai Fun Yin

Ms. Luo Yanling

Nomination committeeMr. Cheung Wai Kin (*Chairman*)

Ms. Lai Fun Yin

Ms. Luo Yanling

Remuneration committeeMr. Cheung Wai Kin (*Chairman*)

Ms. Lai Fun Yin

Ms. Luo Yanling

Registered office

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

**Principal place of business
in Hong Kong**

Unit 506, 5/F

New World Tower 1

18 Queen's Road Central, Central

Hong Kong

Authorised representatives

Mr. Chan Cheong Yee

Ms. Chan Yuet Ching

**Business address of all Directors
and authorised representatives**

Unit 506, 5/F

New World Tower 1

18 Queen's Road Central, Central

Hong Kong

Company secretaryMs. Chan Yuet Ching (*HKICPA*)

Hong Kong share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	The Hongkong and Shanghai Banking Corporation Limited 1 Des Voeux Road Central Hong Kong Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
Auditor	Wilson & Partners CPA Limited Unit 1503, 15/F., Low Block Grand Millennium Plaza No. 181 Queen's Road Central, Hong Kong
Legal adviser to the Company as to Hong Kong laws	Tsun & Partners Suite 1408A, 14/F West Tower, Shun Tak Centre 200 Connaught Road Central Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Vinco Financial Limited Unit 2602, 26/F The Center 99 Queen's Road Central Hong Kong
Placing Agent	Astrum Capital Management Limited Room 2704, 27/F Tower 1, Admiralty Centre 18 Harcourt Road Admiralty Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Kong Fanpeng (“**Mr. Kong**”), aged 57, has been an Executive Director since 18 March 2010. He obtained a Bachelor’s degree in Finance and Auditing from Zhongshan University, the PRC. Mr. Kong was a manager of Huizhou TCL Information System Limited and Guangzhou Bada Telecommunications Limited. He also worked as the general manager of the PRC market and an executive director respectively at Chief Securities Limited in Hong Kong and Excalibur Securities Limited in (now known as “**Sino Capital Securities Limited**”) Hong Kong, specialising in risk averse arbitrage trading in both Shenzhen and Hong Kong capital market. Mr. Kong was the chairman and an executive director of Shenzhen Wansheng Investment Management Company Limited. He has a wealth of experience in the Hong Kong securities market for over 25 years and is well versed in investment in the second board market in both China and Hong Kong. Mr. Kong is the chief partner of Shenzhen CAS Bright Stone Investment Management Limited.

Mr. CHAN Cheong Yee (“**Mr. Chan**”), aged 61, was appointed as an executive Director on 21 November 2012. Mr. Chan is one of the representatives of Sinolink Securities (Hong Kong) Company Limited and a licensed person to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “**SFO**”). Mr. Chan obtained a Bachelor of Science degree from the College of Business Administration of the University of South Florida in the United States of America. Mr. Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mr. Chan is currently executive director of each of China Innovation Investment Limited (stock code: 1217), Capital Realm Financial Holdings Group Limited (stock code: 204), China Investment and Finance Group Limited (stock code: 1226) and China New Economy Fund Limited (stock code: 80) and a non-executive director of China Trends Holdings Limited (stock code: 8171). In addition, Mr. Chan has been appointed as an executive director of Goldstone Capital Group Limited (stock code: 1160) on 1 February 2025. All these companies are listed on either the main board or GEM of the Stock Exchange.

Since November 2018, Mr. Chan has been appointed as an executive director of National Investments Fund Limited (“**NIFL**”), which was listed on Main Board of the Stock Exchange. On 8 February 2021, NIFL announced that it was ordered to be wound up by the High Court of Hong Kong in HCCW 67/2020 and the official receiver was appointed as its provisional liquidator. The listing of NIFL’s shares has been cancelled with effect from 20 September 2022.

Since November 2021, Mr. Chan has been appointed as an executive director of Goldstone Investment Group Limited (“**GIGL**”), which was listed on Main Board of the Stock Exchange. On 18 May 2023, GIGL announced that it was ordered to be wound up by the High Court of Hong Kong in HCCW 64/2022 and the official receiver was appointed as its provisional liquidator. The listing of GIGL’s shares has been cancelled with effect from 4 November 2024.

Independent non-executive Directors

Ms. Lai Fun Yin, aged 41, has been appointed as an Independent Non-executive Director of the Company since 27 June 2017. She has over 7 years solid sales and marketing experience in travel industry.

Mr. Cheung Wai Kin (“**Mr. Cheung**”), aged 43, has been appointed as an Independent Non-executive Director of the Company since 27 September 2017. He is a member of the Hong Kong Institute of Certified Public Accountants and he has over 15 years accounting and auditing experience. Mr. Cheung is currently an independent non-executive director of C&N Holdings Limited (stock code: 8430), the shares of which are listed on GEM of the Stock Exchange.

Ms. Luo Yanling (“**Ms. Luo**”), aged 43, has been appointed as an Independent Non-executive Director with effect from 4 June 2024. Ms. Luo is a marketing manager of a food and beverage company in Mainland China. She has ample experience of corporate management and brand promotion in food and beverage industry in Mainland China. In addition to the food and beverage company Ms. Luo is working for, she has served as the marketing manager of an investment company in Mainland China and the principal business of that investment company is investment in unlisted businesses in various sectors, including public transportation, manufacturers of lifts and escalators, etc. She has over 10 years marketing experience, especially in brand management and promotion in the companies she served.

Senior management

Ms. Chan Yuet Ching (“**Ms. Chan**”), aged 42, was appointed as the company secretary of the Company on 12 July 2017. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants. She is responsible to the Board for ensuring the board procedures are followed and the Board activities are efficiently and effectively conducted. She is also responsible for ensuring that the Board is briefed on relevant legislative, regulatory and corporate governance developments. Ms. Chan has been an independent non-executive director of Bingo Group Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8220), since July 2022. Save as disclosed above, Ms. Chan did not hold any other directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee consists of three members, all being independent non-executive Directors, namely, Mr. Cheung Wai Kin (Chairman), Ms. Lai Fun Yin and Ms. Luo Yanling. The duties of the Audit Committee include, without limitation, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring integrity of the Group's financial statements, annual report and accounts and half-year report, and reviewing significant financial reporting judgments contained therein; (c) reviewing the Group's financial control, internal control and risk management systems; and (d) reviewing reports made by the corporate guarantee committee, a committee closely monitoring the Group's activities for the provision of corporate guarantee and to enforce the prohibition on provision of corporate guarantee to any party other than member of the Group. The Group's annual results for the year ended 30 September 2024 have been reviewed by the Audit Committee.

14. DOCUMENTS ON DISPLAY

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

- (a) the annual reports of the Company for each of the three financial years ended 30 September 2022, 2023 and 2024;
- (b) the interim report of the Company for the six months ended 31 March 2025;
- (c) the Placing Agreement;
- (d) the letter from the Board, the text of which is set out on pages 12 to 40 of this circular;
- (e) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 41 to 42 of this circular;
- (f) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 43 to 70 of this circular;

- (g) the accountant's report on the unaudited pro forma financial information of the Group issued by Infinity CPA Limited, the text of which is set out in Appendix II to this circular;
- (h) the written consents referred to in paragraph headed "9. Experts and consents" of this appendix; and
- (i) this circular.

15. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the Group entities. As at the Latest Practicable Date, the Group does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.
- (c) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

NOTICE OF EXTRAORDINARY GENERAL MEETING



CAPITAL
VC LIMITED

首都創投有限公司

Capital VC Limited 首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Capital VC Limited (the “**Company**”) will be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Tuesday, 21 October 2025 at 11:30 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing (with or without amendment) the following resolutions. Unless otherwise stated, the capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 23 September 2025 (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the meeting for the purpose of identification) (the “**Circular**”), of which the notice convening the EGM shall form part.

SPECIAL RESOLUTION

1. “**RESOLVED THAT**, subject to and conditional upon (i) the Grand Court granting an order confirming the Capital Reduction; (ii) compliance with any condition which the Grand Court may impose in relation to the Capital Reduction; (iii) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under the Companies Act in respect of the Capital Reduction; and (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation:
 - (a) the issued share capital of the Company be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$0.24 on each of the issued Existing Shares such that the par value of each issued Existing Share will be reduced from HK\$0.25 to HK\$0.01 (the “**Capital Reduction**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Existing Shares of par value of HK\$0.25 each in the authorised share capital of the Company will be subdivided into twenty five (25) authorised but unissued Adjusted Shares of par value of HK\$0.01 each (the “**Share Subdivision**”);
- (c) immediately following the Capital Reduction and the Share Subdivision (collectively, the “**Capital Reorganisation**”), the authorised share capital of the Company be changed from HK\$200,000,000 divided into 800,000,000 Existing Shares of par value of HK\$0.25 each, to HK\$200,000,000 divided into 20,000,000,000 Adjusted Shares of par value of HK\$0.01 each;
- (d) the credit arising from the Capital Reduction be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction and the balance of such credit remaining after offsetting the accumulated losses (if any) be transferred to a distributable reserve account of the Company or other reserve account of the Company which may be applied by the Company in any manner as permitted under the applicable laws and the memorandum and articles of association of the Company; and
- (e) the directors of the Company be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reorganisation.”

ORDINARY RESOLUTION

- 2. “**RESOLVED THAT** subject to the fulfilment of all conditions as set out in the paragraph headed “Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue” in the Circular:
 - (a) the issue of up to 450,128,249 Rights Shares (assuming full subscription under the Rights Issue and there is no change in the total number of issued Shares up to and including the Record Date other than as a result of the Capital Reorganisation) pursuant to an offer by way of rights to the Shareholders of the Company on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date at the Subscription Price of HK\$0.12 per Rights Share, save for the Non-Qualifying Shareholders, and on and subject to such terms and conditions as may be determined by the Directors (the “**Rights Issue**”), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the placing agreement dated 13 August 2025, supplemented by another agreement dated 16 September 2025, (the “**Placing Agreement**”) entered into between the Company and Astrum Capital Management Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the meeting for the purpose of identification), in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the Board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, any Director be and is hereby authorised to make such exclusions or other arrangements in relation to any Non-Qualifying Shareholders, and to do all such acts and things or make such arrangements as he/she considers necessary, desirable or expedient having regard any restrictions under the Memorandum and Articles of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong to give effect to any or all other transactions contemplated in this resolution; and
- (d) any one or more Directors be and is/are hereby authorised to do all such acts and things and execute and deliver all such documents, which are ancillary to the Rights Issue and the Placing Agreement, on behalf of the Company, including under common seal where applicable, as they may consider necessary, desirable or expedient to implement or give effect to any matters in connection with the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.”

By Order of the Board
Chan Cheong Yee
Executive Director

Hong Kong, 23 September 2025

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

Principal place of business in Hong Kong:
Unit 506, 5/F,
New World Tower 1,
18 Queen’s Road Central, Central,
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong at least 48 hours before the time appointed for the holding of the extraordinary general meeting (or any adjournment thereof).
- (3) The register of members will be closed from Thursday, 16 October 2025 to Tuesday, 21 October 2025, both days inclusive, during which no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 15 October 2025.
- (4) The EGM is expected to last for less than half a day. Members (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Members or their proxies attending the EGM shall present their identity certifications.
- (5) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) Where there are joint holders of any shares, any one of such joint holders may vote either in person or by proxy in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
- (7) If a typhoon signal No. 8 or above is hoisted or a "black" rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the website of the Company (<http://www.capital-vc.com>) and the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkexnews.hk) to notify shareholders of the date, time and place of the adjourned meeting. The EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions bearing in mind their own situations.

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the Board comprises:

Executive Directors:

Mr. Kong Fanpeng

Mr. Chan Cheong Yee

Independent non-executive Directors:

Ms. Lai Fun Yin

Mr. Cheung Wai Kin

Ms. Luo Yanling

In the case of any inconsistency, the English text of this notice shall prevail over the Chinese text.