
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Future Machine Limited**, you should at once hand this Prospectus to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, 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 the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, this Prospectus and the PAL should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both 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 nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

FUTURE MACHINE LIMITED

未來機器有限公司

(formerly known as “Sprocomm Intelligence Limited”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

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

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the Listing Rules, there is no requirement for a minimum subscription level in respect of the Rights Issue. Nevertheless, the Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be Thursday, 30 October 2025). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Shares have been on dealt in an ex-rights basis from Thursday, 31 July 2025. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 16 September 2025 to Tuesday, 23 September 2025 (both dates inclusive).

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled (which is currently expected to be 4:00 p.m. on Friday, 31 October 2025) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The Latest Time for Acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 26 September 2025. The procedures for acceptance and payment and/or transfer are set out on pages 21 to 23 of this Prospectus.

12 September 2025

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EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is for indicative purposes only and is subject to change. All times and dates in this prospectus refer to Hong Kong local times and dates. It has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable:

Event	Date and Time
Despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only	Friday, 12 September 2025
First day of dealings in nil-paid Rights Shares (in board lot size of 2,000 Rights Shares)	Tuesday, 16 September 2025
Latest time for splitting of PAL	4:30 p.m. on Thursday, 18 September 2025
Last day of dealings in nil-paid Rights Shares (in board lot size of 2,000 Rights Shares)	Tuesday, 23 September 2025
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Friday, 26 September 2025
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 Friday, 26 September 2025
Announcement of the number of Unsubscribed Rights Shares subject to the Unsubscribed Arrangements	Monday, 6 October 2025
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent	Wednesday, 8 October 2025
Placing Long Stop Date	Thursday, 30 October 2025
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company	Monday, 10 November 2025
Despatch of share certificates for fully-paid Rights Shares and the completion of Placing to take place	Tuesday, 11 November 2025
Despatch of refund cheques, if any, if the Rights Issue is terminated	Tuesday, 11 November 2025

EXPECTED TIMETABLE

Event	Date and Time
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 12 November 2025
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Tuesday, 18 November 2025

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

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

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

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

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

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement issued by the Company dated 23 July 2025 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Company”	Future Machine Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1401)
“Completion”	completion of the Rights Issue and the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Last Trading Day”	Wednesday, 23 July 2025, being the last trading day for the Shares on the Stock Exchange before publication of the Announcement
“Latest Practicable Date”	10 September 2025, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. Friday, 26 September 2025 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the Placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Unsubscribed Arrangements
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)

DEFINITIONS

“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Imperium International Securities Limited, a licensed corporation (CE No.: AVI905) to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 23 July 2025 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements, pursuant to which the Placing Agent has agreed to procure placees on a best effort basis to subscribe for the Unsubscribed Rights Shares

DEFINITIONS

“Placing Long Stop Date”	Thursday, 30 October 2025, or such other date as may be agreed between the Company and the Placing Agent in writing as the latest date for the satisfaction of the conditions precedent under the Placing Agreement
“Placing Period”	the period from Wednesday, 8 October 2025 up to Friday, 24 October 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	the placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	Friday, 12 September 2025 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Friday, 8 August 2025, (or such other date as the Company may announce) being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date, being 500,000,000 Shares based on the Company’s issued share capital as at the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 1 February 2019
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.28 per Rights Share
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed 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 otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)

DEFINITIONS

“%”

per cent.

* *For the purpose of this Prospectus, the exchange rate between RMB and HK\$ is RMB1 = HK\$1.093. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.*

LETTER FROM THE BOARD

FUTURE MACHINE LIMITED

未來機器有限公司

(formerly known as “Sprocomm Intelligence Limited”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

Executive Directors:

Mr. LI Chengjun

(Chairman and Chief Executive Officer)

Mr. XIONG Bin *(Vice Chairman)*

Mr. WEN Chuanchuan

Mr. GUO Qinglin

Mr. HE Wen Yuan

Mr. CHAN Hoi Shu

Registered Office:

Cricket Square, Hutchins Drive

P.O. BOX 31119

Grand Pavilion

Hibiscus Way

802 West Bay Road

Grand Cayman

KY1-1205

Cayman Islands

Independent non-executive Directors:

Mr. HUNG Wai Man

Mr. WONG Kwan Kit

Mr. LU Brian Yong Chen

Mr. CHING Khei Cheong Christopher

Ms. WANG Huihui

*Headquarters and principal place of
business in PRC:*

33/F, Building 1

Huaqiang Science and Technology

Innovation Plaza

Meilin Street, No. 6018 North Ring
Boulevard

Futian District

Shenzhen, China

Principal place of business in

Hong Kong:

Unit 702, 7/F

Greenfield Tower

Concordia Plaza

1 Science Museum Road

Tsim Sha Tsui East

Kowloon, Hong Kong

12 September 2025

To the Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE
FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

LETTER FROM THE BOARD

INTRODUCTION

References are made to the Announcement.

The purpose of this Prospectus is to provide you with, among other things, (i) further information on the Rights Issue; and (ii) other certain financial and other general information of the Group as required under the Listing Rules.

1. RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as the close of business on the Record Date
Subscription Price:	HK\$0.28 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	1,000,000,000 Shares
Number of Rights Shares:	Up to 500,000,000 Rights Shares (assuming there is no change to the total issued share capital of the Company on or before the Record Date)
Total number of Shares in issue upon the completion of the Rights Issue:	Up to 1,500,000,000 Shares (assuming that no new Shares (other than the Rights Issue) will be allotted and issued on or before the completion of the Rights Issue)
Gross proceeds from the Rights Issue:	Up to approximately HK\$140 million before expenses (assuming there is no change to the total issued share capital of the Company on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)

Assuming there is no change to the total issued capital of the Company on or before the Record Date, 500,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.3% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon the Completion.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no outstanding share options, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares. The Company did not grant or vest any Share Option(s) on or before the Record Date.

Undertakings

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

Qualifying Shareholders

The Rights Issue is available to the Qualifying Shareholders only and the Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will make the Prospectus available to them on the websites of the Company and the Stock Exchange for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Posting Date. For the avoidance of doubt, unless the Qualifying Shareholders submit their requests in writing to the Company for printed form of the Prospectus, the Company will send the PAL to Qualifying Shareholders in printed copies only. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.sprocomm.com) and the Stock Exchange (www.hkexnews.hk). To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date be registered on the registers of members of the Company, and not be the Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company.

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

LETTER FROM THE BOARD

Closure of register of members

The register of members of the Company were closed from Monday, 4 August 2025 to Friday, 8 August 2025 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares were registered during this period.

Subscription Price

The Subscription Price of HK\$0.28 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 66.27% to the closing price of HK\$0.8300 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 72.28% to the closing price of HK\$1.0100 per Share as quoted on Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 72.28% to the average closing price of approximately HK\$1.0100 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 72.28% to the average closing price of approximately HK\$1.0100 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 63.48% to the theoretical ex-rights price of approximately HK\$0.7667 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$1.0100 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.09%, which is calculated based on the theoretical diluted price of approximately HK\$0.7667 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day); and

LETTER FROM THE BOARD

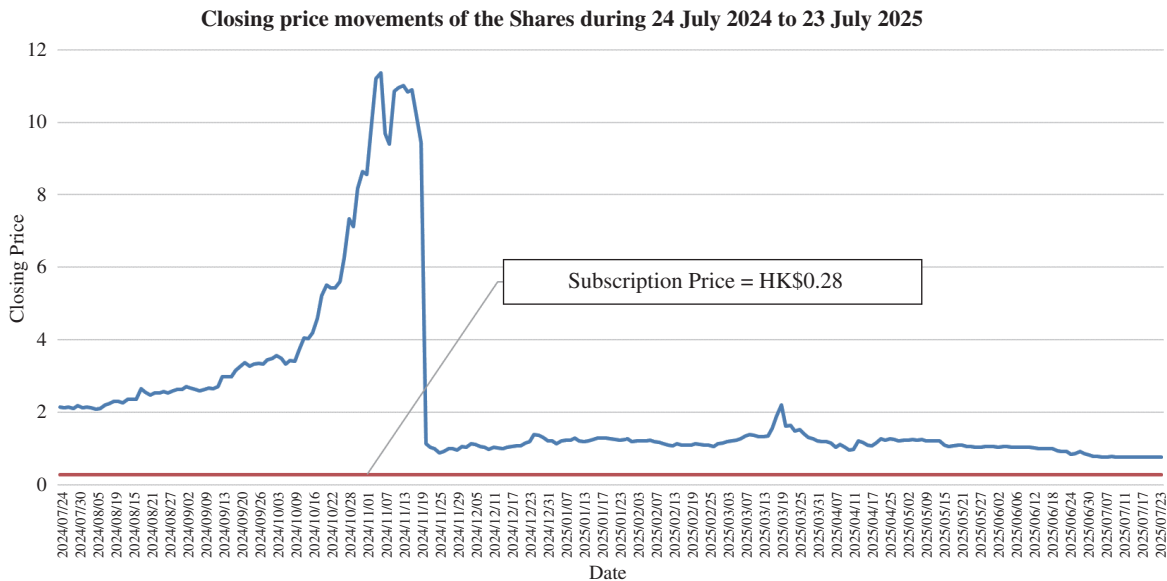
(vii) a discount of approximately 30.17% to the audited net asset value per Share of approximately RMB0.367 (equivalent to HK\$0.401) based on the latest audited consolidated net asset value of the Group of approximately RMB366,534,000 (equivalent to HK\$400,622,000) as at 31 December 2024 and the number of Shares in issue as at the Last Trading Day (i.e. 1,000,000,000 Shares).

(viii) a discount of approximately 32.20% to the audited net asset value per Share of approximately RMB0.378 (equivalent to HK\$0.413) based on the latest audited consolidated net asset value of the Group of approximately RMB378,182,000 (equivalent to HK\$413,353,000) as at 30 June 2025 and the number of Shares in issue as at the Last Trading Day (i.e. 1,000,000,000 Shares).

The Subscription Price was arrived at after arm's length negotiation with reference to, among other things, the prevailing market price of the Shares and the financial conditions of the Group. When setting the Subscription Price, the Directors have considered the following factors:

- (i) the Directors conducted a comprehensive review of the closing price movements of the Shares listed on the Stock Exchange, covering the period from 24 July 2024 to 23 July 2025 (the “**Review Period**”), which is one year before the Last Trading Day. The Directors believe that this one-year timeframe effectively captures the prevailing market sentiment. This duration aligns with recent market trends and price fluctuations, providing a reliable representation of market attitudes toward the Shares.

The chart below shows the movement of the closing Share Price during the Review Period.



LETTER FROM THE BOARD

During the Review Period, the Shares listed on the Stock Exchange reached a peak closing price of HK\$11.359 on 6 November 2024, while the lowest closing price was recorded at HK\$0.75 on both 4 July 2025 and 7 July 2025. The Directors observed a continuous downward trend in the closing share price beginning in November 2024. The Directors do not identify any specific reasons for the fluctuations observed during the Review Period.

Furthermore, the Directors considered that the significant fluctuations in Share price during the Review Period creates considerable uncertainty in pricing, complicating efforts for Shareholders to accurately assess the fair value of their Shares through fundamental analysis.

In these situations, Shareholders may expect higher returns as compensation for the increased risks involved. The Directors understand that this volatility creates significant challenges in determining the fair value of shares, which in turn leads to a considerable discount in the Subscription Price. This strategy aims to encourage Qualifying Shareholders participation in the Rights Issue;

- (ii) the Directors conducted a review of the trading volume and liquidity of the Shares during the Review Period. During the Review Period, the monthly trading volume of the Shares varied significantly. It ranged from a low of 17,583,937 Shares traded in September 2024 to a peak of 231,541,760 Shares traded in November 2024. This represents approximately 0.09% of the total issued Shares for the lowest volume and approximately 1.10% for the highest volume.

Based on the observations presented, the Directors have determined that the low trading volume may pose challenges for Shareholders in selling their Shares on time and at a more favorable price. Furthermore, the Company may encounter difficulties in raising equity funds from external parties without necessitating a substantial discount to the current Share price. As a result, the Directors believe that the limited liquidity of the Shares observed during the Review Period suggests the potential for a significant discount to the Subscription Price. This adjustment may serve the same purposes in point (i) above to encourage Qualifying Shareholders to accept the allotment under the Rights Issue;

- (iii) the Directors identified an exhaustive list of 32 transactions conducted by companies listed on the Stock Exchange (the “**Comparables**”) using information available from the Stock Exchange’s website, which was done on a best-effort basis. The criteria for selecting these Comparables were as follows:
 - (a) the companies must be listed on the Stock Exchange;
 - (b) Rights issue transactions of A-Shares and H-Shares were excluded; and

LETTER FROM THE BOARD

- (c) the proposed rights issues must have been announced during the period from 24 January 2025 to 23 July 2025, which is six months preceding the Last Trading Day.

The Directors believe that these Comparables serve as a reliable reference for recent rights issues because a sufficient number of transactions occurred within this timeframe, resulting in a reasonable sample size. The table below presents the findings from this analysis.

Date of initial announcement	Company name	Stock code	Premium/ (Discount) of subscription price over/to the closing share price on the last trading day	Premium/ (Discount) of subscription price over/to the closing price for the five consecutive trading days up to and including the last trading day
27/01/2025	Colour Life Services Group Co., Limited	1778	0.00%	(2.14%)
02/02/2025	CSI Properties Limited	497	5.88%	5.88%
07/02/2025	Stream Ideas Group Limited	8401	(15.00%)	(16.50%)
14/02/2025	Yues International Holdings Group Limited	1529	(7.14%)	(20.25%)
14/02/2025	China Saftower International Holding Group Limited	8623	(6.78%)	(2.83%)
18/02/2025	China Baoli Technologies Holdings Limited	164	6.67%	2.30%
27/02/2025	TIMELESS RESOURCES HOLDINGS LIMITED	8028	(9.64%)	(8.72%)
03/03/2025	China Zenith Chemical Group Limited	362	(17.90%)	(18.40%)
07/03/2025	Volcano Spring International Holdings Limited	1715	47.06%	47.06%

LETTER FROM THE BOARD

Date of initial announcement	Company name	Stock code	Premium/ (Discount) of subscription price over/to the closing share price on the last trading day	Premium/ (Discount) of subscription price over/to the closing price for the five consecutive trading days up to and including the last trading day
14/03/2025	Good Fellow Healthcare Holdings Limited	8143	(12.28%)	(19.35%)
19/03/2025	Pacific Legend Group Limited	8547	(13.79%)	(13.79%)
11/04/2025	ISP Holdings Limited	2340	(74.50%)	(73.38%)
16/04/2025	AustAsia Group Ltd.	2425	(29.11%)	(29.11%)
16/04/2025	Bonjour Holdings Limited	653	(25.93%)	(27.93%)
25/04/2025	Melco International Development Limited	200	(72.93%)	(71.03%)
29/04/2025	C Cheng Holdings Limited	1486	(67.21%)	(66.44%)
07/05/2025	SEEC Media Group Limited	205	(23.61%)	(26.17%)
09/05/2025	China Sci-Tech Industrial Investment Group Limited	339	(43.10%)	(47.40%)
13/05/2025	Shougang Century Holdings Limited	103	12.30%	14.30%
13/05/2025	Capital Realm Financial Holdings Group Limited	204	4.17%	21.36%
15/05/2025	Zhongzheng International Company Limited	943	0.00%	0.00%
22/05/2025	China Health Group Limited	673	(28.60%)	(37.10%)
23/05/2025	Grand Talents Group Holdings Limited	8516	(33.00%)	(33.00%)
02/06/2025	Lvji Technology Holdings Inc.	1745	(32.10%)	(33.10%)

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Date of initial announcement	Company name	Stock code	Premium/ (Discount) of subscription price over/to the closing share price on the last trading day	Premium/ (Discount) of subscription price over/to the closing price for the five consecutive trading days up to and including the last trading day
04/06/2025	Howkingtech International Holding Limited	2440	(49.70%)	(50.00%)
10/06/2025	Pinestone Capital Limited	804	(40.71%)	(41.55%)
10/06/2025	Greenheart Group Limited	94	(9.25%)	(4.97%)
17/06/2025	Risecomm Group Holdings Limited	1679	(22.48%)	(21.63%)
25/06/2025	Sino Splendid Holdings Limited	8006	(11.10%)	(12.10%)
07/07/2025	SANERGY GROUP LIMITED	2459	(55.60%)	(56.30%)
08/07/2025	Alco Holdings Limited	328	(19.00%)	(19.00%)
10/07/2025	XJ International Holdings Co., Ltd.	1765	5.82%	6.95%
		maximum	47.06%	47.06%
		average	(19.96%)	(19.18%)
		minimum	(74.50%)	(73.38%)
23/07/2025	Future Machine Limited	1401	(72.28%)	(72.28%)

The table above presents a detailed overview of the subscription prices of the Comparables in relation to their respective closing prices on or before the dates of the last trading day. These prices varied, showing a discount of approximately 74.50% to a premium of approximately 47.06%.

In further examining the subscription prices in comparison to the average closing prices over the five trading days before the date of the last trading day, the Directors found that the results showed a comparable range, with the prices

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varying from a discount of approximately 73.38% to a premium of approximately 47.06%.

As a result, the discount of approximately 72.28% to the closing Share price of HK\$1.0100 per Share as quoted on the Stock Exchange on the Last Trading Day, and the discount of approximately 72.28% to the average closing Share price of HK\$1.0100 per Share for the five consecutive trading days immediately preceding the Last Trading Day, fall within the established range of the Comparables.

After a thorough review of the Comparables, the Directors determined that the Subscription Price was set within an acceptable range. However, although the Subscription Price is lower than all closing Share Prices during the Review Period, and the discount used to determine the Subscription Price is almost equal to the maximum discount observed among the Comparables, the Directors considered the following additional factors to ensure that the Subscription Price remains fair and reasonable:

- (i) the observed high volatility in the closing prices of the Shares, coupled with the limited liquidity during the Review Period, indicates the potential for a significant discount to the Subscription Price. This adjustment could serve to encourage participation from the Qualifying Shareholders in the Rights Issue;
- (ii) the Rights Issue will be accessible to all Qualifying Shareholders, and their interests will not be adversely affected by the discount on the Subscription Price as long as they are afforded an equal opportunity to participate and subscribe for the Rights Shares;
- (iii) Qualifying Shareholders who opt not to subscribe for their pro-rata entitlement of the Rights Shares may still derive economic benefits by selling their nil-paid Rights Shares in the market; and
- (iv) the insights provided in the section titled “Reasons for and Benefits of the Rights Issue and the Intended Use of Proceeds” outlined in this letter.

Considering the factors mentioned above, the Directors believe that the benefits associated with them outweigh the significant discount applied to the Subscription Price. The Directors want to highlight the Company’s commitment to prioritising the involvement of Qualifying Shareholders in the Rights Shares. To strike a balance between the Company’s cash flow needs and the interests of its Shareholders, the Company has set a substantial discount to encourage participation in the Rights Issue. As a result, the Directors consider the substantial discount to be fair and reasonable. This substantial discount is intended to prioritise the Qualifying Shareholders in participating in the Company’s development and to encourage their involvement.

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Status of the Rights Shares

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

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

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

Rights of the Overseas Shareholders

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

According to the register of members of the Company as of the Record Date, the Company had a total of 6 Overseas Shareholders holding an aggregate of 66,440,000 Shares, representing approximately 6.64% of the total number of the issued Shares, 3 with registered addresses in the PRC holding an aggregate of approximately 4,656,000 Shares, representing approximately 0.46% of the total number of the issued Shares, and 3 with a registered address in BVI holding 61,784,000 Shares, representing approximately 6.18% of the total number of the issued Shares. Save for the above Overseas Shareholders, there was no other Overseas Shareholder based on the register of members of the Company as at the Record Date.

In compliance with to Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders with registered addresses in the jurisdictions set out above.

The Company has obtained legal advice from legal advisers in the PRC and BVI and has been informed that, according to the relevant legislation in the PRC and BVI, there are no regulatory restrictions or requirements from any regulatory body or stock exchange regarding the extension of the Rights Issue to Overseas Shareholders in the relevant jurisdiction.

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

Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders having registered addresses in the PRC and BVI, who are, therefore, Qualifying Shareholders. As such, based upon the register of members of the Company as of the Record Date, there was no Non-Qualifying Shareholder.

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

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

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

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

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

No fractional entitlement

On the basis of the entitlement to subscribe one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

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Application for listing

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

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 2,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

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

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

Stamp duty and other applicable fees

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

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Tuesday, 11 November 2025.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched on or before Tuesday, 11 November 2025 by ordinary post at the respective Shareholders' own risk.

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

In deciding to conduct the Rights Issue on a non-underwritten basis without a minimum subscription level, the Directors considered several factors, which include:

- i. there are no statutory requirements concerning minimum subscription levels for a Rights Issue;
- ii. the Directors evaluated the Company's fundraising requirements, which are crucial for fulfilling business contracts and improving financial returns. Through this evaluation, the Directors determined that removing the minimum subscription level for the Rights Issue would provide greater flexibility in securing the necessary funds. Their goal is to prioritise the Company's interests by maximising fundraising efforts while ensuring that Qualifying Shareholders are given due consideration to encourage their participation in the Rights Issue;
- iii. as mentioned in the "Subscription Price" section of this letter, the Directors have set the Subscription Price at a substantial discount. This strategy prioritises Shareholders and incentivises their involvement in the Rights Issue. Consequently, the outcome of the Rights Issue is expected to be positive, even without a minimum subscription level; and
- iv. if the proceeds from the Rights Issue do not reach the anticipated maximum Net Proceeds, the Company is prepared to reallocate the funds proportionately among the planned areas. Additionally, the Company may explore alternative fundraising methods, including the placement or subscription of new shares. Therefore, the removal of a minimum subscription level for the Rights Issue is not expected to impact the Company's overall fundraising strategy significantly.

After considering the above factors, the Directors have concluded that executing the Rights Issue on a non-underwritten basis without establishing a minimum subscription level is unlikely to have a significant impact on the Group. This approach not only allows Shareholders to participate in the Rights Issue actively but also fulfills the Group's fundraising objectives, thereby enhancing its overall financial performance.

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As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Friday, 26 September 2025 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable – Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” on the Latest Time of Acceptance in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**FUTURE MACHINE LIMITED – RIGHTS ISSUE ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”. Such payment will constitute acceptance of the provisional allotment of Rights Shares on the terms of the Prospectus Documents and subject to the memorandum and articles of association of the Company. Any payments for the Rights Shares should be rounded up to nearest cent.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Friday, 26 September 2025 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable – Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” on the Latest Time of Acceptance in this Prospectus), whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled.

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If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer all or part of their rights to more than one person (not as joint holders), the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Thursday, 18 September 2025 to the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company is not obliged to but may (at its sole and absolute discretion) treat PAL(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete such incomplete PAL(s) at a later stage.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Qualifying Shareholders must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to such applicant only if the overpaid amount is HK\$100 or above.

No receipt will be given in respect of any PAL and/or relevant application monies received. If any of the conditions of the Rights Issue as set out in the section headed "Letter from the Board – The Rights Issue – Conditions of the Rights Issue" is not

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fulfilled at or before 5:00 p.m. on Friday, 31 October 2025 (or such later date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, on or before Tuesday, 11 November 2025.

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

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

On 23 July 2025, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 24 October 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of

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HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non- Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

The Placing Agreement

Principal terms of the Placing Agreement are summarised as below:

Date : 23 July 2025

Issuer : The Company

Placing Agent : Imperium International Securities Limited

As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period : The period from Wednesday, 8 October 2025 up to 4:00 p.m. on Friday, 24 October 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.

Placing Price : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price. The final Placing Price will be determined by the Placing Agent during the Placing Period, which will be influenced by the number of Unsubscribed Rights Shares successfully placed, the demand for the remaining Unsubscribed Rights Shares, and any necessary adjustments to the placing price for the remaining Unsubscribed Rights Shares. Any adjustments will be assessed in terms of their associated costs and benefits. If adjustments to the Placing Price are made, the final Placing Price will be mutually agreed between the Company and the Placing Agent.

Placing Commission : Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 0.75% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent (the “**Commission Rate**”).

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Placees : The Placing Agent shall procure that not less than six placees will take up the Placing Shares. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be Independent Third Parties.

In any event if the number of placee(s) is less than six, the Company shall complete the Placing and disclose the identity of such placee(s) in accordance with the applicable Listing Rules.

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

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

- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares including the Unsubscribed Rights Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and

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

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

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed. The Company shall use its best endeavour to procure the fulfilment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to the attention of it and indicating that any of such conditions being unable or fail to fulfil. In the event that the above condition precedents have not been fulfilled or waived on or before the Placing Long Stop Date (as defined below), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other party in respect of the Placing (save for any antecedent breaches thereof).

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Termination : The Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to 4:00 p.m. on Thursday, 30 October 2025 (the “**Latest Time for Termination**”), to terminate the Placing Agreement, if, prior to the Latest Time for Termination:

(a) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:

(i) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or

(iii) occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares (for more than ten (10) consecutive trading days) generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

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- (iv) any adverse change in the business or in the financial or trading position of any members of the Group, which in the reasonable opinion of the Placing Agent, is material in the context of the Placing; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing; or
- (c) any material breach of any of the representations and warranties by the Company that comes to the knowledge of the Placing Agent, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of the Placing Agreement, would have rendered any of such representations and warranties untrue or incorrect in any material respect, or there has been a material breach by the Company of any other provision of the Placing Agreement.

Upon the giving of such notice as referred to above by the Placing Agent, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party, save for any prior breaches of the Placing Agreement.

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

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

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions:

- (i) the delivery to the Stock Exchange and the filing and registration with the Registrar in Hong Kong respectively one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having being approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (ii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (iii) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (iv) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (v) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

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None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Friday, 31 October 2025 (or such later date as the Company may determine), the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the conditions abovementioned has been fulfilled.

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

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Directors believe that the Rights Issue will raise the Group's corporate profile and enhance its capital base, enabling it to expand the scale and scope of its operations further.

Assuming that there will be no change to the total issued share capital of the Company on or before the Record Date and full acceptance of the Rights Issue, the maximum net proceeds from the Rights Issues (after deducting the estimated expenses) (the “**Net Proceeds**”) are estimated to be approximately HK\$138 million (equivalent to a net price of approximately HK\$0.276 per Rights Share).

The Directors intend to allocate the Net proceeds as follows:

- (i) approximately 57.2% of the Net Proceeds, or approximately HK\$79 million, will be allocated to address the genuine findings needs of the Group's mobile phone and related products business, in particular, for the additional working capital required to complete new business contracts entered into by the Group in the first quarter 2025. The Company is responsible for the research and development, product design, manufacturing, and sales of mobile phones and related products, which is expected to be fully utilised within 6 months upon the Completion;
- (ii) approximately 8.7% of the Net Proceeds, or approximately HK\$12 million, will be allocated to expanding production lines, enhancing workforce capacity, and advancing research and development initiatives of the Group's mobile phone and related products business, which is expected to be fully utilised within 10 months upon the Completion;
- (iii) approximately 3.6% of the Net Proceeds, or approximately HK\$5 million, will be allocated to expanding the Group's automobile business, which is expected to be fully utilised within 12 months upon the Completion;
- (iv) approximately 1.5% of the Net Proceeds, or approximately HK\$2 million, will be allocated to enhance the Group's Enterprise Resource Planning (“**ERP**”) system, which is expected to be fully utilised within 14 months upon the Completion;

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- (v) approximately 14.5% of the Net Proceeds, or approximately HK\$20 million, for general working capital and general corporate purposes, which is expected to be fully utilised within 11 months upon the Completion; and
- (vi) approximately 14.5% of the Net Proceeds, or approximately HK\$20 million, will be allocated for selected mergers, acquisitions, and strategic investments, with a particular focus on exploring potential opportunities in the artificial intelligence sector. While no specific targets are currently under negotiation, the Company continues to actively identify and evaluate businesses that may complement its existing operations and align with its long-term strategic objectives, which is expected to be fully utilised within 25 months upon the Completion.

Based on the existing business plan, the above-planned proceeds are expected to be fully utilised by Group within 12 months falling after the Completion.

The Group's genuine funding needs for its mobile phone and related products business

The Group is an original design manufacturer (ODM) mobile phone supplier located in the PRC. Its operations focus primarily on research and development, design, manufacturing, and sales of mobile phones and related products. Additionally, the Group produces printed circuit board assemblies (PCBAs) for mobile phones and related products on an ODM basis.

The Directors would like to emphasise that the Group's core business has remained consistent since its initial public offering. The operations are based on thorough market research, which allows the Group to create mobile phones that align with its clients' expectations. The Group's research and development team is dedicated to designing both hardware and software components, providing a diverse range of models that cater to customer preferences.

New products and features are systematically introduced through meetings, direct communication, and participation in international exhibitions, allowing the Group to engage effectively with both existing and prospective clients. Following the confirmation of orders, the Group initiates mass production, which includes the internal manufacturing of PCBAs and the procurement of essential components, such as integrated circuits and display modules, from reputable third-party electronic manufacturing service providers.

Final assembly is conducted by the Group, with rigorous quality control measures implemented across all production sites to ensure product excellence. Upon completion, finished products are delivered to customers or their designated agents for distribution. The Group primarily serves clients in the PRC while also maintaining a presence in international markets, with key clients located in India and the United States. These clients are responsible for selling products within their respective regional markets.

As of the Latest Practicable Date, the Group has successfully secured contracts or purchase orders with over 30 customers, resulting in a total contract value of approximately RMB317 million. As of the Latest Practicable Date, approximately RMB160 million of this amount has

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been completed in the first half of 2025. The remaining balance of the contracts is expected to be completed before the end of 2025 and be financed using Net Proceeds or other banking facilities to meet working capital needs. The products ordered by contracted customers primarily consist of smartphones and feature phones under the ODM arrangement.

Currently, the Group relies on its available cash resources and bank facilities offered by financial institutions to support its business operations. To maintain a competitive edge, the Group must sustain a high level of working capital, which facilitates smooth operations and meets the growing demand for its products. The Group typically requires capital to procure raw materials and components from suppliers in a timely manner and offers extended credit terms to downstream customers. However, this approach can lead to mismatches between trade receivable and trade payable turnover days. Specifically, the credit period extended to customers is generally 90 days, while the credit terms received from suppliers range from 30 to 60 days. As a result, there is a timing mismatch between the Group's payments to suppliers and the receipts from customers, which creates a funding gap of approximately one to two months within this business cycle. The Directors would like to highlight that the current funding practices during this business cycle align with established norms in the mobile phone industry. Specifically, the credit periods offered to customers are determined by the size of their orders. The credit periods extended to customers placing larger orders typically range from 60 to 120 days. In contrast, customers with smaller orders are offered credit periods of 30 to 60 days. As of the Latest Practicable Date, the majority of the Group's customers are those placing larger orders and receiving credit periods ranging from 60 to 120 days.

To bridge this gap and fulfill the new business orders, the Group plans to allocate approximately HK\$79 million from the Net Proceeds to procure raw materials and components from suppliers, including PCBAs, display modules, camera modules and mobile chips (such as memory and central processing unit (CPU)). In the event of a shortfall in contributions from Net Proceeds or additional cash flow requirements necessary to support production and operations related to new orders, the Group will conduct a thorough evaluation of its available operational cash resources. Should these resources prove inadequate to fulfill working capital needs, the Group will explore debt facilities provided by financial institutions to address short-term financial requirements.

As per the unaudited financial statements of the Group for the six months ended 30 June 2025, the Group recorded bank and cash balances (excluding pledged bank deposits) of approximately RMB113 million as of 30 June 2025. On the same date, the Group's total borrowings amounted to approximately RMB154 million, of which approximately RMB120 million is scheduled for repayment in 2025. Furthermore, as of 30 June 2025, the Group has pledged approximately RMB1,829 million in deposits to banks to facilitate the issuance of bank acceptance bills. These bills are used to settle the Group's outstanding purchase obligations to suppliers and associates, as well as to finance internal production activities, which include expenses related to raw materials, labor, and manufacturing. The Company recognises that the pledged bank deposits serve as collateral. This arrangement enables the Group to earn short-term interest income, while the banks assist in covering costs on behalf of the Company through bank acceptance bills. In simpler terms, the pledged deposits are restricted until the Group meets its

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obligations concerning these bills. As of 30 June 2025, the trade and other bills payables associated with the aforementioned outstanding operating costs totaled approximately RMB2,641 million. Therefore, the Group's current cash resources are inadequate to address the increasing volume of purchase orders. To meet the working capital requirements necessary for ongoing production, the Group relies on banking facilities, which has resulted in significant financing costs and an increased gearing ratio. Given the operational scale for the year ended 31 December 2024, the average monthly operating costs, including selling and administrative expenses, are estimated to be not less than approximately RMB26 million. Therefore, the Group's available cash resources are sufficient to cover approximately three months of operations, indicating a need for additional funding to support both the timing gap and the increased production scale associated with the newly secured orders.

Strategic business expansion and investment

The Directors intend to allocate HK\$20 million from the Net Proceeds towards strategic investments and acquisition opportunities. This initiative is designed to implement a comprehensive business growth strategy aimed at expanding the Group's presence across various industry verticals.

To achieve this objective, the Directors will carefully assess a variety of potential investments in emerging businesses that align with the Group's core operations. The primary focus of the Group is to enhance its artificial intelligence (AI) capabilities by investing in sectors such as smart robotics and AI-powered Internet of Things (IoT) products, including AI smart glasses and AI smart speakers. Additionally, the Group aims to implement advanced AI technologies, such as AI-driven voice recognition and graphics processing, in mobile technology to improve its product offerings further. Furthermore, the Group recognises the opportunity to leverage technologies associated with communication, display, camera functionality, and energy efficiency from mobile devices to enhance AI-powered Internet of Things (IoT) products. The Directors are confident that these strategic initiatives will not only expand the Group's customer base but also strengthen its network of business partners.

When making investment decisions, key factors to consider include: (i) identifying businesses whose technologies complement the Group's existing products; and (ii) targeting companies with established industry expertise that aligns with the Group's future expansion plans. By leveraging these strategic investments and acquisitions, the Director expects to achieve synergies that will enhance the Group's overall operational efficiency, strengthen its technological capabilities, and expand its user base.

The Directors intend to pursue these investments and acquisitions mainly through equity arrangements, which may involve both controlling and non-controlling stakes. The Group is also open to exploring other types of investments, such as debt or convertible instruments, if they are more suitable for specific transaction needs. Each opportunity will be assessed individually, with evaluations based on the outcomes of the necessary due diligence process.

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As of the Latest Practicable Date, the Directors do not possess the expertise required for the operation of the AI-related business. To address this need, the Group has developed a strategic plan to recruit AI experts over the next six to twelve months upon Completion. Additionally, the Group aims to attract research and development professionals who hold master's degrees from universities ranked among the top 100 globally, according to the QS World University Rankings. The Group will also leverage its existing knowledge and experience to explore new opportunities in related fields. Furthermore, it is committed to optimizing and refining its business functions to ensure their relevance in new scenarios and industries.

As of the Latest Practicable Date, the Group has not yet identified any potential investment or acquisition targets. If the Company fails to identify suitable targets within twelve months upon Completion, the Company intends to allocate the available funds toward the Group's general working capital, included but not limited to, (i) salary payments for the employees in mobile phone business; (ii) trade payable settlements; and (iii) research and development expenses to maintain a cash reserve.

Should there be any updates regarding this investment or such an investment constitutes a notifiable transaction as defined under Chapter 14 of the Listing Rules, the Company will publish announcements as soon as possible, in accordance with the applicable Listing Rules.

Expand production lines, increase workforce, and enhance research and development capabilities of the Group's mobile phone and related products business

As of the Latest Practicable Date, the Group operates six surface mount technology (SMT) production lines, which together have a monthly production capacity of 2 million pieces of smartphone PCBAs. The SMT process involves mounting electronic components directly on both sides of a printed circuit board. This increases board capacity, reduces the volume of the final electronic products, and supports advanced production automation. Additionally, the Group manages twenty-two mobile phone assembly lines that can produce up to 2 million mobile phones each month. The Group also provides packaging capacity for semi-knock-down (SKD) and completely knocked down (CKD) products, totaling 3 million sets per month. All production activities take place at the Group's plant located in Luzhou City, Sichuan Province (the "**Luzhou Plant**"). As stated in the sub-section titled "The Group's genuine fundings needs for its mobile phone and related products business" above, the total contract value of secured contracts and purchase orders for the Group's products has reached over RMB300 million in 2025. Given the positive feedback received from customers, the Company anticipates a further increase in purchase orders in 2026. In consideration of this expected growth, if the Group is unable to enhance its production facilities, it may be necessary to outsource a portion of production to adequately meet the rising demand.

The Directors would like to emphasise that manufacturing mobile phones and related products on an ODM basis is a capital-intensive venture. The Directors believe that mobile phone manufacturers with sufficient production capacity and intense research and development capabilities will benefit from the anticipated market growth. Therefore, it is crucial for the Group to strategically allocate capital towards acquiring new production lines, investing in research and development equipment, hiring skilled professionals, and advancing research

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initiatives. These steps are essential for effectively seizing emerging market opportunities. Additionally, the Directors emphasise that improving the Group's production capacity and overall capabilities will lead to greater cost efficiency and increased productivity.

To achieve this, the Group has conducted a comprehensive analysis and plans to invest in additional six mobile phone assembly lines. This development is projected to increase the Group's production capacity by 100,000 mobile phones per month for each assembly line that becomes operational with a total projected expenditure of no less than RMB6 million (i.e. approximately RMB1 million for each line). According to the construction schedule, the Directors anticipate that three assembly lines will be operational by the fourth quarter of 2025, with another three expected to start operations in the second quarter of 2026. Furthermore, the Group intends to recruit at least 80 additional staff members to support the operation of these new production lines. Consequently, the Group anticipates allocating approximately RMB5 million to facilitate this expansion.

Producing PCBAs in-house is more cost-effective than subcontracting this work. Moreover, in-house production provides better control over the production schedule. As a result, the Directors strongly believe that increasing production capacity and enhancing operational capabilities will lead to improved cost efficiency and overall production effectiveness.

Expand the production line of the Group's automobile business

In addition to the Group's mobile phone operations, the Group has expanded into the automobile sector, a venture that began in 2022. The Group currently operates one production line dedicated to automobile manufacturing, which has a monthly capacity of approximately 4,000 units. Of this capacity, 60% is used for processing orders from outsourcing clients generating processing fees, while the remaining 40% is dedicated to the production of the Group's own products.

According to the unaudited management accounts for the six months ended 30 June 2025, the revenue generated from automobile trading amounted to approximately RMB30 million, representing approximately 1.875% of the Group's total revenue for the six months ended 30 June 2025, indicating a significant increase compared to the same period in 2024, which reported approximately RMB6 million, representing approximately 0.477% of the Group's total revenue for the six months ended 30 June 2024. Based on this positive trend, the Directors anticipate that the revenue generated from automobile trading for the year ending 31 December 2025 will reach approximately RMB90 million. Accordingly, the existing production capacity will not be sufficient to meet the projected demand. In response to this anticipated market need, the Group is planning to enhance its production capabilities by establishing additional production line. In accordance with the planned budget, the Directors propose the following allocation of funds:

- (i) approximately HK\$2 million from the Net Proceeds for the acquisition of essential machinery and equipment for the new production line;

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- (ii) approximately HK\$2 million for leasing a facility to support the operations of this production line; and
- (iii) the remaining allocation of approximately HK\$1 million for recruiting personnel with the necessary expertise.

The Group plans to hire a total of 15 personnel, including staff for research and development, as well as sales and marketing, to support this expansion of production. Establishing the new production lines is anticipated to increase the Group's annual revenue by approximately RMB70 million. It is projected that an estimated budget of approximately HK\$1 million will be necessary to recruit personnel with the required expertise.

Enhancement of the Group's ERP system

To enhance the Group's management capabilities and overall operational efficiency, the Directors intend to allocate a portion of the Net Proceeds towards upgrading the Group's computer hardware, design software, and ERP system. This investment aims to optimise the integration of essential functions, including product design, cost management, budgeting, procurement, production planning, inventory monitoring, quality control, and financial reporting.

As the business continues to grow, the Directors believe that these enhancements will promote production efficiency and improve customer satisfaction and empower the management team to develop strategic plans, respond swiftly to market changes, and effectively monitor business implementation. This strategic approach will enable the Group to maintain a competitive edge in the industry.

General working capital and general corporate purposes

In preparation for the expected growth in the Company's business activities, the Directors have acknowledged the likelihood of a significant rise in operating expenses to facilitate this expansion. Consequently, the Directors have determined to allocate HK\$20 million from the Net Proceeds specifically to address these operating expenses. This budget is anticipated to cover approximately HK\$15 million for employee salaries, approximately HK\$2 million for office rental costs, and approximately HK\$3 million for other administrative expenses.

Other fundraising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fundraising alternatives such as bank borrowings, placing, or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security, creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without allowing them to participate in the exercise. The Directors consider that over-reliance on debt financing would expose the Group to a huge liquidity risk, especially when there are any unforeseen economic downturns and the additional finance costs would also affect the Group's financial performance. Unlike an open offer, the Rights Issue enables the Shareholders to sell the nil-paid

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rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

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

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

If the proceeds raised by the Rights Issue or Placing is less than the aforesaid estimated net proceeds of approximately HK\$138 million, the Company will allocate the use of proceeds proportionately and will further evaluate options including, amongst others, reducing the proposed investment amount or exploring other financing, and/or fundraising alternatives. The Group is focused on improving its profitability.

As at the Latest Practicable Date, save as disclosed in this Prospectus, 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; (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months; and (iii) the Company does not have any concrete fundraising plan for the upcoming 12 months.

Conclusion

After taking into account the expected cash to be utilised in operating activities, and to ensure the Group has sufficient financial resources to meet its upcoming financial obligations, the Directors are considering raising an additional fund which they believe is in the best interest of the Company and its Shareholders.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the Latest Practicable Date.

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EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the shareholding structure of the Company arising from the proposed Rights Issue, which are for illustrative purpose only.

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Completion assuming all Qualifying Shareholders will take up their respective entitlements of the Rights Issue in full, and there is no change to the total issued share capital of the Company on or before the Record Date (“**Scenario 1**”); and (iii) immediately after the Completion assuming none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares and all the Unsubscribed Rights Shares will be successfully placed by the Placing Agent under the Placing, and there is no change to the total issued share capital of the Company on or before the Record Date (“**Scenario 2**”).

Shareholders	As at the Latest Practicable Date		Scenario 1		Scenario 2 (Note 3)	
	Approximate		Approximate		Approximate	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Leap Elite Limited (Note 1)	204,967,204	20.50%	307,450,806	20.50%	204,967,204	13.66%
Beyond Innovation Limited (Note 2)	140,032,056	14.00%	210,048,084	14.00%	140,032,056	9.34%
The Placees	–	–	–	–	500,000,000	33.33%
Public Shareholders	655,000,740	65.50%	982,501,110	65.50%	655,000,740	43.67%
Total	1,000,000,000	100.00%	1,500,000,000	100.00	1,500,000,000	100.00%

Notes:

1. Leap Elite Limited is legally owned as to 100% by Mr. Li Chengjun, who is an executive Director, chairman and chief executive officer of the Company, for the beneficiaries of the family trust found by himself.
2. Beyond Innovation Limited is legally owned as to 100% by Mr. Xiong Bin, who is an executive Director and vice chairman of the Company, for the benefit of the beneficiaries of the family trust found by himself.
3. This scenario assumes none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares and is for illustrative purposes only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best-effort basis, to subscribe for the Unsubscribed Rights Shares. As at the Latest Practicable Date, the Company has no public float issue and the Company will take all appropriate steps to ensure that sufficient public float is maintained in compliance with Rule 8.08 of the Listing Rules. In the event that the Rights Issue would result in public float not being maintained, the Company and/or the Placing Agent will take necessary action to place down the Shares such that sufficient public float could be maintained in compliance with Rule 8.08 of the Listing Rules.

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2. ADDITIONAL INFORMATION

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

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

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

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

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their 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 Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

By Order of the Board
Future Machine Limited
Mr. Li Chengjun
Chairman and Executive Director

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for the years ended 31 December 2022, 2023 and 2024 were disclosed in the annual reports of the Company for the years ended 31 December 2022 (pages 122 to 220), 2023 (pages 122 to 204) and 2024 (pages 126 to 208) respectively. Details of the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 was disclosed in the interim results announcement of the Company for the six months ended 30 June 2025 (pages 2 to 12). The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sprocomm.com). Please refer to the hyperlinks as stated below:

2022 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042401097.pdf>

2023 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041801130.pdf>

2024 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042801647.pdf>

2025 interim results:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0828/2025082801792.pdf>

2. INDEBTEDNESS STATEMENT

Indebtedness

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Prospectus, the Group had the following indebtedness:

	Secured		The Group Unsecured		
	Guaranteed	Non- guaranteed	Guaranteed	Non- guaranteed	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank borrowings ^{Note 1}					
– current	–	12,161	111,553	17,037	140,751
Bills payable under supplier finance arrangement ^{Note 2}					
– current	569,586	1,820,064	–	30,000	2,419,650
Lease liabilities					
– current	–	–	–	5,996	5,996
– non-current	–	–	–	29,949	29,949
	<u>569,586</u>	<u>1,832,225</u>	<u>111,553</u>	<u>82,982</u>	<u>2,596,346</u>

Notes:

1. Interest-bearing bank borrowings

As at 31 July 2025, the borrowings of approximately RMB12,161,000 are secured by the Group's trade and bills receivables of approximately RMB12,161,000. The effective interest rates for these fixed-rate borrowings range from 5.42% to 5.50% and are repayable within one year.

As at 31 July 2025, the borrowings of approximately RMB111,553,000 are guaranteed by the Group's Directors, Director's spouse, and subsidiaries. The effective interest rates for these fixed-rate borrowings range from 2.90% to 3.50% and are repayable within one year.

As at 31 July 2025, borrowing of approximately RMB17,037,000 is neither guaranteed nor secured. The effective interest rate for the fixed-rate borrowing is 5.69% and is repayable within one year.

2. Bills payable under supplier finance arrangement

As at 31 July 2025, the bills payable under supplier finance arrangements of approximately RMB2,419,650,000 including bills issued to relevant external suppliers for the settlement of trade payable and bills issued to Group entities under arrangements for financing the production of the respective Group entities are secured by pledged bank deposits and bills receivable amounting to approximately RMB2,262,533,000 and RMB78,664,000 respectively.

As at 31 July 2025, the bills payable of approximately RMB569,586,000 are guaranteed by the Group's Directors and subsidiaries.

Save for the aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business as at the close of business on 31 July 2025, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade and bills payables), acceptance credits, debentures, mortgages, pledges, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT

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

4. MATERIAL ADVERSE CHANGES

The Directors confirm that, save as disclosed below, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

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

The Group is principally engaged in designing, manufacturing and sales of mobile phones and printed circuit board assembly products (“PCBA”) and Internet of things (“IoT”) related products.

China’s ODM mobile phone market is filled with challenges and opportunities. The Group intends to seize this moment to reinforce its market-leading position, leveraging strategic initiatives to ensure continued growth and success. By staying at the forefront of innovation and anticipating market trends, the Group aims to capitalise on emerging opportunities while effectively addressing any challenges that may arise.

As disclosed in the annual report of the Company for the year ended 31 December 2024, the Group recorded total revenue of approximately RMB2,917.4 million, representing an increase of approximately 3.3% from approximately RMB2,822.9 million for the year ended 31 December 2023.

It is mainly attributed to the success of the Group to secure an increased volume of purchase orders for IoT related products during the year ended 31 December 2024. These orders came from the Group’s major customers in China, indicating their continued trust and satisfaction with the Group’s product quality and service. Revenue from China increased by approximately 33.6% to RMB2,328.5 million for the year ended 31 December 2024 from RMB1,742.4 million for the year ended 31 December 2023. Despite the increase in revenue, the Group had to strategically accommodate a reduced gross profit margin. This was a necessary measure to ensure the procurement of sales orders from major customers. The decision, while impacting the Group’s immediate profitability, is aimed at fostering long-term relationships and securing future business opportunities. However, due to the reduced gross profit margin, the Group’s profit after tax decreased by approximately 49.7% to approximately RMB15.6 million for the year ended 31 December 2024 from approximately RMB31.0 million for the year ended 31 December 2023.

As disclosed in the interim results announcement of the Company for six months ended 30 June 2025, the Group recorded total revenue of approximately RMB1,600.9 million, representing an increase of approximately 27.4% from approximately RMB1,256.9 million for six months ended 30 June 2024. The Group’s profit after tax increased by approximately 25.0% to RMB11.5 million for the six months ended 30 June 2025 from RMB9.2 million for the six months ended 30 June 2024.

It is mainly attributed to the success of the Group to sustain its strong market position by leveraging a differentiated product portfolio and competitive pricing strategies in the first half of 2025. The Group secured a higher volume of purchase orders for both smartphones and IoT related products, primarily from its major customers in China and India. This reflects the continued confidence of these customers in the Group’s product quality and service standards. Revenue from these two markets increased by 27.8% to RMB1,483.1 million for the six months ended 30 June 2025 from RMB1,160.4 million for the six months ended 30 June 2024.

The Directors believe that the integration of artificial intelligence into smartphones and other devices, coupled with the rapid deployment of 5G telecommunications networks worldwide, will significantly drive the demand for smartphones and IoT products. In order to capture the potential market opportunities and maximise the interests of the Company and its shareholders, the Group will adopt a prudent approach to develop its business, enhance its research and development capability, enrich its product portfolio and increase its sales and marketing effort to diversify its geographical locations.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to illustrate the effects of the proposed rights issues on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK\$0.28 per rights share (the “**Rights Issue**”) on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had taken place on 31 December 2024.

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 owners of the Company immediately or any future date after completion of the Rights Issue.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024	Unaudited estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 December 2024	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2024	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2024
		immediately after completion of the Rights Issue		immediately after completion of the Rights Issue
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>

0.33

– 45 –

converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.08 to RMB1, which was the exchange rate prevailing on 31 December 2024. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

- (3) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share before the completion of the Rights Issue are calculated based on 1,000,000,000 existing shares which were the share in issue as at 31 December 2024.
- (4) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue per share are calculated based on 1,500,000,000 shares, comprising 1,000,000,000 existing shares and 500,000,000 rights shares to be issued as described in note 2 above.
- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2024 immediately after the completion of the Rights Issue is arrived as if the Rights Issue had been completed on 31 December 2024, but does not take into account any shares which have been or may be issued upon the exercise of options granted under the share option scheme (if any) subsequent to 31 December 2024.
- (6) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

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

The following is the text of a report received from the reporting accountants, Moore CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this Prospectus.

**Moore CPA Limited**

1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

大華馬施雲會計師事務所有限公司

香港九龍尖沙咀廣東道19號
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www.moore.hk

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

To the Directors of Future Machine Limited (formerly known as “Sprocomm Intelligence Limited”)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Future Machine Limited (formerly known as “**Sprocomm Intelligence Limited**”) (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2024 and related notes as set out in Part A of Appendix II to the prospectus issued by the Company dated 8 September 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Part A of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK\$0.28 per rights share (the “**Rights Issue**”) on the Group's financial position as at 31 December 2024 as if the Rights Issue had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2024, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

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

Reporting Accountants' Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant 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.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

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

- the related 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore CPA Limited

Certified Public Accountants

Chan King Keung

Practising Certificate Number: P06057

Hong Kong, 12 September 2025

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; (b) immediately prior to the Completion (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion); and (c) immediately after the Completion (assuming all the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full and there is no change to the total issued share capital of the Company on or before the Record Date) were as follows:

(a) As at the Latest Practicable Date:

Authorised: *HK\$*

<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000</u>
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Issued and fully-paid:

<u>1,000,000,000</u>	Shares of HK\$0.01 each	<u>10,000,000</u>
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(b) Immediately prior to the Completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion):

Authorised: *HK\$*

<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000</u>
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Issued and fully-paid:

<u>1,000,000,000</u>	Shares of HK\$0.01 each	<u>10,000,000</u>
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- (c) **Immediately after the Completion (assuming all the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full and there is no change to the total issued share capital of the Company on or before the Record Date)**

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000</u>
<i>Issued and fully-paid:</i>		
<u>1,000,000,000</u>	Shares of HK\$0.01 each	<u>10,000,000</u>
500,000,000	Rights Shares of HK\$0.01 each to be allotted and issued under the Rights Issue	5,000,000
<u>1,500,000,000</u>		<u>15,000,000</u>

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

Neither part of the share capital nor any other securities of the Company 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, the Company had 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 Shares. There is no treasury share held by the Company or its subsidiary or through any agent or nominee.

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

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

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

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the Shares

Name of Director	Capacity/ Nature of Interest	Number of Shares held	Percentage of the total issued share capital of the Company (Approximate %)
Mr. Li Chengjun ("Mr. Li") (Note 1)	Founder of a discretionary trust	204,967,204	20.5
Mr. Xiong Bin ("Mr. Xiong") (Note 2)	Founder of a discretionary trust	140,032,256	14.0

Notes:

1. Leap Elite Limited is legally owned as to 100% by Mr. Li for the benefit of the beneficiaries of the family trust found by himself. Accordingly, Mr. Li is deemed to be interested in the Shares held by Leap Elite Limited pursuant to the SFO.
2. Beyond Innovation Limited is legally owned as to 100% by Mr. Xiong for the benefit of the beneficiaries of the family trust found by himself. Accordingly, Mr. Xiong is deemed to be interested in the Shares held by Beyond Innovation Limited pursuant to the SFO.

As at the Latest Practicable Date, saved as disclosed above, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange; or (iv) were required to be disclosed under the Takeovers Code.

(b) Interests of substantial Shareholders and other person

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

Long positions in the Shares

Name of Shareholder	Capacity/ Nature of Interest	Number of Shares held	Percentage of the total issued share capital of the Company (Approximate %)
Leap Elite Limited Beyond Innovation	Beneficial owner	204,967,204	20.5
Limited	Beneficial owner	140,032,256	14.0
Ms. Sui Rongmei (Note 1)	Beneficial owner	204,967,204	20.5
Ms. Yan Xue (Note 2)	Beneficial owner	140,032,256	14.0

Notes:

1. Ms. Sui Rongmei is the spouse of Mr. Li Chengjun. By virtue of the SFO, she is deemed to be interested in the same number of shares held by Mr. Li Chengjun.
2. Ms. Yan Xue is the spouse of Mr. Xiong Bin. By virtue of the SFO, she is deemed to be interested in the same number of shares held by Mr. Xiong Bin.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

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

As at the Latest Practicable Date, (a) none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (being the date to which the latest published audited accounts of the Group were made up); and (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.

5. LITIGATION

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

6. SERVICE CONTRACTS

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

7. COMPETING INTEREST

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

8. MATERIAL CONTRACTS

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

- (i) the Placing Agreement.

9. EXPERT AND CONSENT

The following is the qualification of the expert who have given opinion or advice contained in this Prospectus:

Name	Qualification
Moore CPA Limited	Certified Public Accountant

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

As at the Latest Practicable Date, the above expert confirmed that the above expert (a) did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and (b) was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 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 Placing Commission (assuming there is no subscription to the Rights Shares by the Qualifying Shareholder(s) and all the remaining Rights Shares are fully placed to the Placees) and professional fees payable to financial advisers, legal adviser, reporting accountants, financial printer and other parties involved in the Rights Issue are estimated to be approximately HK\$1.9 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Board of Directors***Executive Directors:*

Mr. LI Chengjun

(Chairman and Chief Executive Officer)

Mr. XIONG Bin *(Vice Chairman)*

Mr. WEN Chuanchuan

Mr. GUO Qinglin

Mr. HE Wenyuan

Mr. CHAN Hoi Shu

Independent non-executive Directors:

Mr. HUNG Wai Man

Mr. WONG Kwan Kit

Mr. LU Brian Yong Chen

Mr. CHING Khei Cheong Christopher

Ms. WANG Huihui

Audit committee:

Mr. Wong Kwan Kit *(Chairman)*

Mr. HUNG Wai Man

Mr. LU Brian Yong Chen

Mr. CHING Khei Cheong Christopher

Remuneration committee:

Mr. HUNG Wai Man *(Chairman)*

Mr. WONG Kwan Kit

Mr. LU Brian Yong Chen

Mr. CHING Khei Cheong Christopher

Ms. WANG Huihui

	<i>Nomination committee:</i> Mr. LI Chengjun (<i>Chairman</i>) Mr. WONG Kwan Kit Mr. LU Brian Yong Chen Mr. CHING Khei Cheong Christopher Ms. WANG Huihui
Registered office	P.O. BOX 31119 Grand Pavilion Hibiscus Way 802 West Bay Road Grand Cayman KY1-1205 Cayman Islands
Head office and principal place of business in PRC	33/F, Building 1 Huaqiang Science and Technology Innovation Plaza Meilin Street, No. 6018 North Ring Boulevard Futian District Shenzhen, China
Head office and principal place of business in Hong Kong	Unit 702, 7/F Greenfield Tower Concordia Plaza 1 Science Museum Road Tsim Sha Tsui East Kowloon, Hong Kong
Authorised representatives	Mr. Xiong Bin Mr. Li Yiu Hong
Company Secretary	Mr. Li Yiu Hong (<i>a member of The Hong Kong Institute of Certified Public Accountants</i>)
Share registrar and transfer office in the Cayman Islands	Tricor Services (Cayman Islands) Limited 2nd Floor, Century Yard Cricket Square, P.O. Box 902 Grand Cayman, KY1-1103 Cayman Islands
Share registrar and transfer office in Hong Kong	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Principal bankers**Citibank**

9/F Two Harbourfront
22 Tak Fung Street, Hunghom
Kowloon, Hong Kong

ICICI Bank Limited

1504B–1505 International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Legal adviser**Neo Solicitors LLP**

1603 Wheelock House
20 Pedder Street Central
Hong Kong

Auditor**Moore CPA Limited**

Certified Public Accountants
Public Interest Entity Auditors registered in
accordance with the Financial Reporting Council
Ordinance
1001–1010, North Tower
World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

Financial adviser**Diligent Capital Limited**

Room 2203, 22/F
New World Tower 1
16–18 Queen's Road Central
Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

(a) Biographical details of Directors

Executive Directors

Mr. LI Chengjun (李承軍) (“Mr. Li”), aged 52, is an executive Director, the chief executive officer and the chairman of the Board and is mainly responsible for corporate strategic planning, overseeing the overall operations, day-to-day management and business development of the Group. Mr. Li established Shenzhen Sprocomm Telecommunication Technology Co., Ltd.* (深圳禾苗通信科技有限公司) (“**Shenzhen Sprocomm**”), the main operating subsidiary of the Group, with Mr. Xiong Bin on 16 September 2009. He is also currently the director of the Company’s subsidiaries, namely Shenzhen Sprocomm, Sprocomm Intelligence (HK) Holdings Limited (禾苗智能控股有限公司), Sprocomm Technologies Co., Ltd. (禾苗通信科技有限公司), Sprocomm Technologies Co., Ltd. (禾苗通信科技(香港)有限公司), Guizhou Sprocomm Telecommunication Technology Co., Ltd.* (貴州禾苗通信科技有限公司), Chengdu Sprocomm Cloud Technology Co., Ltd.* (成都禾苗雲科技有限公司), Guizhou Mars Exploration Technology Co., Ltd.* (貴州火星探索科技有限公司), Grace Kirin Limited (俊麟有限公司), Xiaohe Growth Shenzhen Technology Co., Ltd.* (小禾成長深圳科技有限公司) and Shenzhen Fengma New Energy Technology Co., Ltd.* (深圳風馬新能源科技有限公司). Mr. Li is a director of Leap Elite Limited, a controlling Shareholder of the Company.

Mr. Li has more than 20 years of relevant experience in the mobile communications industry. Prior to joining the Group, Mr. Li held a senior management position in the wireless network department and terminal department of Shenzhen Huawei Technologies Co., Ltd* (深圳華為技術有限公司), a company principally engaged in the telecommunication equipment business from April 1997 to February 2007, where he was mainly responsible for the research and development of communication terminal and sales and marketing. From August 2007 to June 2009, Mr. Li served as the chief executive officer of the business operation headquarters of SIM Technology Group Limited (晨訊科技集團有限公司) (stock code 02000) (“**SIM Technology**”), a company whose shares are listed on the Stock Exchange and is principally engaged in the manufacturing, design and development and sale of liquid crystal display modules, mobile handset solutions, and wireless communication module solutions, where he was mainly responsible for overseeing its PRC operation and management. Mr. Li graduated from Beihang University (北京航空航天大學) in July 1994 with a bachelor degree majoring in electrical technology, and then, graduated with a master degree of engineering in March 1997.

Mr. XIONG Bin (熊彬) (“Mr. Xiong”), aged 47, is an executive Director and vice chairman of the Board and is mainly responsible for overseeing the sales and marketing of the Group. Mr. Xiong is one of the founders of Shenzhen Sprocomm on 16 September 2009. He is also currently the director and vice general manager of Shenzhen Sprocomm, the director of Windhorse Technologies INC. (美國風馬新能源科

技有限公司) and the supervisor of Shanghai Sprocomm Telecommunication Technology Co., Ltd.* (上海禾苗通信科技有限公司), Guizhou Sprocomm Telecommunication Technology Co., Ltd.* (貴州禾苗通信科技有限公司), Guizhou Mars Exploration Technology Co., Ltd.* (貴州火星探索科技有限公司), Shenzhen Fengma New Energy Technology Co., Ltd.* (深圳風馬新能源科技有限公司) and Luzhou Sprocomm Telecommunication Technology Co., Ltd.* (瀘州禾苗通信科技有限公司) (formerly known as Luzhou Sipukang Technology Co., Ltd.* (瀘州思普康科技有限公司)). Mr. Xiong is a director of Beyond Innovation Limited, a controlling Shareholder of the Company. Mr. Xiong has over 15 years of relevant experience in the mobile communications industry. Prior to joining the Group, Mr. Xiong served in Amoi Electronics Co., Ltd. (夏新電子股份有限公司) (“**Amoi Electronics**”) from July 1999 to May 2008, where he first served as the vice general manager of finance department responsible for handling the export business and finance work of the overseas subsidiaries and later as the vice general manager of the overseas sales department responsible for overseas sales of smartphone products. Amoi Electronics is principally engaged in research, manufacturing and sales of smartphone and other electronic products. From May 2008 to August 2009, Mr. Xiong served as the general manager of the overseas sales department of SIM Technology, where he was mainly responsible for marketing and sales of the overseas smartphone ODM business. Mr. Xiong graduated from Huazhong University of Science and Technology (華中理工大學) in June 1999 and obtained a bachelor degree of economics majoring in taxation. Mr. Xiong also obtained the qualification of Certified Public Accountant (non-practising) in the PRC in December 2004.

Mr. WEN Chuanchuan (溫川川) (“**Mr. Wen**”), aged 39, was appointed as an executive Director with effect from 1 June 2021. Prior to Mr. Wen’s appointment as an executive Director, he is a member of the senior management of the Company. Since 21 September 2016, Mr. Wen has been serving as the director of the manufacturing centre of Shenzhen Sprocomm Telecommunication Technology Co., Ltd.* (深圳禾苗通信科技有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company, and has been responsible for supervising the operation of the production plants of the Group. He is also currently (i) the director and general manager of Luzhou Sprocomm Telecommunication Technology Co., Ltd.* (瀘州禾苗通信科技有限公司), formerly known as Luzhou Sipukang Technology Co., Ltd.* (瀘州思普康科技有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company; and (ii) the general manager of Chengdu Sprocomm Cloud Technology Co., Ltd.* (成都禾苗雲科技有限公司), a company established under the laws of the PRC and an indirect non-wholly-owned subsidiary of the Company. Prior to joining the Group, Mr. Wen worked as an assistant engineer of Huawei Machine Company Limited* (華為機器有限公司), a company principally engaged in research, development, manufacturing and sales of communication products from July 2011 to October 2014, where he was mainly responsible for reviewing the manufacturing plan and leading trial verification for new smartphone products. Mr. Wen served as a director of the assembly plant of Shenzhen Andao Yunke Company Limited* (深圳安道雲科股份有限公司), a company principally engaged in development and manufacturing of smart terminals, capacitive touch screens, machine assembly, metal and glass components and mobile phone accessories

from November 2014 to September 2016, where he was responsible for the establishment of machine assembly department and assisting in the operation of the company's departments and subsidiaries.

Mr. Wen graduated from the Northwest A&F University (西北農林科技大學) with a bachelor's degree of management majoring in electronic commerce in the PRC in July 2008. In June 2011, Mr. Wen graduated from the Xi'an Jiaotong University* (西安交通大學管理學院) and obtained a master's degree of engineering majoring in industrial engineering.

Mr. GUO Qinglin (郭慶林) ("Mr. Guo"), aged 42, is an executive Director and is mainly responsible for managing the operation of supply chain and sales activities of the Group. He is also currently the director of the supply chain operation centre of Shenzhen Sprocomm and a supervisor of Shenzhen Sprocomm. Mr. Guo has approximately 13 years of relevant experience in the mobile communications industry. Prior to joining the Group, Mr. Guo served as a manager in the overseas sales department of Amoi Electronics from September 2005 to December 2008, where he was mainly responsible for developing overseas customers, maintaining the customer relationship and sales of the company's main products. From April 2009 to December 2009, Mr. Guo served as sales director in the overseas sales department of Nanjing Wanlida Technology Co., Ltd.* (南靖萬利達科技有限公司), a company principally engaged in the production of computers, mobile phones and projectors, where he was mainly responsible for developing overseas customers, maintaining the customer relationship and sales of the company's main products. Mr. Guo graduated from Jimei University* (集美大學) in July 2005 and obtained a bachelor degree of economics majoring in international economy and trading.

Mr. HE Wenyuan (何文淵) ("Mr. He"), aged 44, was appointed as an executive Director, with effect from 2 December 2024. Prior to Mr. He's appointment as an executive director of the Company, he is a member of the senior management of the Company responsible for overseeing and managing the Group's research and development. Since 24 November 2009, Mr. He has been serving as the vice president and director of software research and development of Shanghai Sprocomm Telecommunication Technology Co., Ltd.* (上海禾苗通信技術有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. Since 1 June 2021, Mr. He has been serving as the president, managing director and legal representative of Shanghai Sprocomm Telecommunication Technology Co., Ltd.* (上海禾苗通信技術有限公司). Prior to joining the Group, Mr. He worked as software engineer of Huanda Computing Shanghai Company Limited* (環達電腦上海有限公司), a company principally engaged in hardware and software research and development for intelligent terminal products from July 2003 to December 2005, where he was mainly responsible for development of software for smart phones. Mr. He worked as senior software engineer of Huaqin Technology Co., Ltd.* (華勤技術股份有限公司), a company principally engaged in research and development, manufacturing and operating of smart products from December 2005 to

June 2007, where he was mainly responsible for development of software for smart phones as well as project management. Mr. He worked as head of the 6th research and development department of Huanda Computing Shanghai Company Limited* (環達電腦上海有限公司) from September 2007 to April 2009, where he was mainly responsible for leading the team on research and development of smart phones and car navigation. Mr. He graduated from Sichuan University with a bachelor's degree of computer science and technology in July 2003.

Mr. CHAN Hoi Shu (陳海書) ("Mr. Chan"), aged 55, was appointed as an executive Director, with effect from 2 December 2024. Mr. Chan is the founder and chairman of GGS Innovation Ltd. since April 2021, which supported new startup companies to develop Web3.0 application on music entertainment and provided services to business partners regarding the technical support for product design, operation efficiency improvement and global network development. Mr. Chan is the chairman and cofounder of F&B Innovation (HK) Ltd since June 2024, which is the modular integrated construction system provider to speed up building construction by modularising assembly. Prior to joining the Group, from February 2018 to March 2020, Mr. Chan was the chief operating officer of HMD Global Oy, based in Shenzhen and Hong Kong, during his tenor, Mr. Chan drove various changes on the company's product portfolio, market segmentation, research and development strategy, use of ODM platform, supply chain management system, product design and UI engineering, etc, which turned the company's loss into profit. Mr. Chan graduated from University of Portsmouth with a bachelor's degree of mechanical engineering in July 1993. In December 1996, Mr. Chan graduated from The University of Hong Kong and obtained a master's degree of science majoring in computer in manufacturing. In December 2000, Mr. Chan graduated from Murray State University and obtained a master's degree of business administration majoring in finance and business administration.

Independent non-executive Directors

Mr. HUNG Wai Man JP (洪為民) ("Mr. Hung"), aged 56, was appointed as an independent non-executive Director on 18 October 2019. Mr. Hung is a Deputy to the 13th National People's Congress, and Adjunct Professor of the Belt and Road Research Institute of Hainan University. Mr. Hung is a seasoned ICT professional and angel investor. He has worked in the computer industry for over 30 years. A well-known figure in the industry, Mr. Hung has extensive experience in management consulting, project management and outsourcing services. Mr. Hung is a Chartered Information Technology Professional and a fellow of the Hong Kong Institute of Directors, the Hong Kong Computer Society and the Internet Professional Association. He has been appointed as one of the Global Council Members by the World Summit Awards.

Mr. Hung is currently Executive Chairman of Chinese Big Data Society, Life Chairman Emeritus of the Y.Elites Association, President Emeritus of Internet Professional Association, Vice Chairman of the Monte Jade Science and Technology Association of Hong Kong, Secretary General of Hong Kong – ASEAN Economic Cooperation Foundation and Vice Chairman of New Territories General Chamber of

Commerce etc. In 2012 to 2014, he had served as an associate member of the Central Policy Unit of the HKSAR Government. In 2008, Mr. Hung was selected as one of the Ten Outstanding Young Persons of Hong Kong. He was a Standing Committee Member of the 11th All China Youth Federation. In 2015, he was appointed as a Justice of the Peace by the Hong Kong SAR Government. In 2016, he was given the Asia Social Innovation Leadership Award by CMO Asia.

Mr. Hung graduated from the Hong Kong Polytechnic University with a Higher Diploma in Maths, Statistics and Computing. He then obtained a BA (Hons) from the University of Bolton, MBA from the University of Hull and MA in Public and Comparative History from the Chinese University of Hong Kong. He also obtained a LLM and LLD from the Renmin University of China, a Master of Public Administration from Tsinghua University, a Master of Business Administration (Executive) from City University of Hong Kong and PhD in Business Administration from Bulacan State University, the Philippines.

Mr. Hung is currently an independent non-executive director of LH Group Limited (stock code: 01978), Sino Hotels (Holdings) Limited (stock code: 01221) and K Cash Corporation Limited (stock code: 02483), the shares of which are listed on the Stock Exchange.

Mr. WONG Kwan Kit (黃昆杰) (“Mr. Wong”), aged 52, was appointed as an independent non-executive Director on 18 October 2019. Mr. Wong has over 21 years of experience in accounting and financial management, mergers and acquisitions gained from certain finance related positions of companies listed in Hong Kong. Mr. Wong is currently an independent non-executive director of Man Sang International Limited (stock code: 00938) and Culturecom Holdings Limited (stock code: 00343), both of companies are listed on the Stock Exchange. Mr. Wong holds a Master of Business Administration degree from the Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. LU Brian Yong Chen (呂永琛) (“Mr. Lu”), aged 61, was appointed as an independent non-executive Director on 18 October 2019. Mr. Lu has served as an independent non-executive Director of InvesTech Holdings Limited (stock code: 1087), a company whose shares are listed on the Stock Exchange and is principally engaged in designs, development and provision of communication system and manufacture and sale of signal transmission and connectivity products from June 2015 to January 2023. Mr. Lu has over 22 years of management experience in Fortune 100 companies in Australia, Hong Kong and the PRC, assisting in their business transformation and growth. Prior to joining the Group, Mr. Lu served as a manager, design/architecture of IBM Australia Limited, a company principally engaged in manufacturing and selling computer hardware and software and providing relevant services from May 1995 to April 2001, where he was responsible for managing network architecture. From April 2001 to June 2012, Mr. Lu then served as a client unit executive in the IBM global technology services department of IBM China/Hong Kong Limited, a company principally engaged in manufacturing and selling computer hardware and software and providing relevant services, where he was responsible for

the department's strategic planning and execution. Mr. Lu was an industry consultant of IBM (China) Company Limited, a company principally engaged in manufacturing and selling computer hardware and software and providing relevant services from June 2012 to June 2015. Mr. Lu graduated from South China University of Technology (華南理工大學) with a bachelor degree majoring in engineering in Computer Science in July 1986 and from the University of New South Wales, Australia with a master degree of information science in October 1994.

Mr. CHING Khei Cheong Christopher (鄭其昌) ("Mr. Ching"), aged 56, was appointed as an independent non-executive Director, with effect from 2 December 2024. Mr. Ching, holds a master degree of laws from the University of Central Lancashire. Mr. Ching has over 30 years of experience in regulatory and compliance area particular in the financial industry. Mr. CHING held various senior positions in global financial institutions such as Huatai Financial Holdings (Hong Kong) Limited, ICBC International Holdings Limited, Deutsche Bank AG, Hong Kong Branch and Merrill Lynch Asia Pacific Limited managing their compliance function. Prior to these appointments, Mr. CHING was one of the appointed investigators at the Enforcement Division of the Securities and Futures Commission for over 9 years.

Ms. WANG Huihui (王慧慧) ("Ms. Wang"), aged 35, was appointed as an independent non-executive Director, with effect from 1 April 2025. Ms. Wang holds a master's degree of law from East China University of Political Science and Law. Ms. Wang is a practicing lawyer in the PRC and has over 8 years of experience of legal field and is familiar with the PRC's financial regulations and compliance framework, with a specialization in private equity funds, equity investment and financing and cross border legal services, providing legal support in the financial and international business sectors.

Ms. Wang is currently a partner at Joint-Win Partners (Shanghai). Prior to her current position, she also worked at various law firms in the PRC such as AllBright Law Offices (Shanghai) and Hiways Law Firm (Shanghai). Ms. Wang has served as a member of the Fund Committee of the Shanghai Bar Association (上海律協基金專業委員會委員) since June 2024.

(b) Business address of the Directors and the senior management of the Company

The business addresses of the Directors, the senior management and authorised representatives are the same as the Company's head office and principal place of business in Hong Kong located at Unit 702, 7/F, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "**Audit Committee**") comprised four independent non-executive Directors, namely, Mr. Wong Kwan Kit, Mr. Hung Wai Man, Mr. Lu Brian Yong Chen and Mr. Ching Khei Cheong Christopher. The

Audit Committee is chaired by Mr. Wong Kwan Kit. The Audit Committee is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “9. Expert and Consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

16. DOCUMENTS ON DISPLAY

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

- (i) the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024 respectively and the interim results announcement of the Company for the six months ended 30 June 2025;
- (ii) the material contract disclosed in the paragraph under the heading “8. Material Contracts” in this Appendix to this Prospectus;
- (iii) the letter from the Board, the text of which is set out on pages 7 to 39 of this Prospectus;
- (iv) the independent reporting accountants’ assurance report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (v) the written consents of the experts referred to in the section headed “9. Expert and Consent” in this Appendix; and
- (vi) the Prospectus Documents.

17. MISCELLANEOUS

- a. As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- b. As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.
- c. The English text of this Prospectus shall prevail over their respective Chinese text for the purpose of interpretation.