THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, 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 **Milan Station Holdings Limited** (the "**Company**"), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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



MILAN STATION HOLDINGS LIMITED
米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; (2) PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE; (3) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (4) PLACING AGREEMENT UNDER THE COMPENSATORY ARRANGEMENTS; AND (5) NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent to the Rights Issue

Suncorp Securities Limited

Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders

Vinco Financial Limited

Capitalised terms used on this cover page shall have the same meaning as defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 12 to 50 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-44 of this circular.

A notice convening the EGM to be held at 11:00 a.m. at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong on Monday, 14 December 2026 is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned or postponed meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. The Placing Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

24 November 2026

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

"acting in concert"	has the same meaning ascribed thereto under the Listing Rules
"Announcement"	the announcement of the Company dated 7 October 2026 in relation to, among other things, the Increase in Authorised Share Capital, the Share Consolidation, the Change in Board Lot Size, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder
"Articles"	the articles of association of the Company
"associate(s)"	has the meaning as defined in the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business
"close associate(s)"	has the meaning as defined in the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Milan Station Holdings Limited (米蘭站控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange (stock code: 1150)
"Compensatory Arrangements"	arrangements to place the Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case maybe, 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
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"connected person(s)"	has the meaning as defined in the Listing Rules
"core connected person(s)"	has the meaning as defined in the Listing Rules

"Consolidated Shares"	ordinary share(s) of HK$0.20 each in the share capital of the Company upon the Share Consolidation becoming effective
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Increase in Authorised Share Capital, the Share Consolidation, the Change in Board Lot Size, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"ES Unsold Rights Shares"	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company
"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Existing Share(s)/Share(s)"	ordinary share(s) of par value of HK$0.04 each in the share capital of the Company
"Group"	the Company and its subsidiaries, and "members of the Group" shall mean the Company and/or any of its subsidiary(ies)
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, which has been established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue

"Independent Third Parties"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate) within the meaning of the Listing Rules
"Increase in Authorised Share Capital"	the increase in the authorised share capital of the Company from HK$80,000,000 divided into 2,000,000,000 Shares (or 400,000,000 Consolidated Shares) to HK$400,000,000 divided into 10,000,000,000 Shares (or 2,000,000,000 Consolidated Shares) by the creation of an additional 8,000,000,000 new Shares (or 1,600,000,000 new Consolidated Shares)
"Independent Financial Advisor" or "Vinco Financial"	Vinco Financial Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
"inside information"	has the meaning defined in the SFO as amended from time to time
"Listing Committee"	has the same meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Last Trading Day"	7 October 2026, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of the Announcement
"Latest Practicable Date"	19 November 2026, being the latest practicable date for ascertaining certain information contained in this circular

"Latest Time for Acceptance"	4:00 p.m. on Wednesday, 13 January 2027, or such later time or date as may be determined by the Company, being the latest time for acceptance of and payment for the Rights Shares as described in the Prospectus Documents
"Latest Time for Termination"	4:00 p.m. on Tuesday, 26 January 2027, being the latest time to terminate the Placing Agreement
"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 and ES Unsold Rights Shares placed by the Placing Agent and/or its sub-placing agent(s) under the Placing Agreement) under the Compensatory Arrangements
"No Action Shareholder"	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Excluded Shareholders (if any)
"Overseas Shareholders"	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 provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placing"	the offer by way of private placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to independent placee(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be Independent Third Party(ies), during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Suncorp Securities Limited, a corporation licensed to engage in Type 1 (dealing in securities) regulated activity under the SFO

"Placing Agreement"	the placing agreement dated 7 October 2026, supplemented by another agreement dated 24 November 2026 and entered into between the Company and the Placing Agent in relation to the Placing
"Placing Period"	the period commencing from Wednesday, 20 January 2027 and ending at 4:00 p.m. on Monday, 25 January 2027
"PRC"	the People's Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus Documents"	the Prospectus and PAL
"Prospectus Posting Date"	Tuesday, 29 December 2026 or such other date as may be determined by the Company, being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
"Public Float Requirement"	the public float requirement under Rule 13.32B and Rule 13.32C of the Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
"Record Date"	Monday, 28 December 2026 or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue
"Registrar"	Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong
"Rights Issue"	the proposed issue by way of rights on the basis of one (1) Rights Share for every one (1) Consolidated Share 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)"	up to 211,387,330 Shares (assuming no change in the number of Existing Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of Share(s)
"Share Consolidation"	the proposed consolidation of every five (5) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.36 per Rights Share
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Treasury Shares"	Shares repurchased and held by the Company in treasury, as authorised by the laws of the Cayman Islands, and for the purposes of the New Share Option Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"%"	per cent.

The expected timetable for the Rights Issue set out below is indicative only and has been prepared on the assumption that the Rights Issue will be approved by the Independent Shareholders at the EGM. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Events	**Time and date 2026**
Publication of the announcement in relation to, among other matters, the proposed Rights Issue and Share Consolidation	Wednesday, 7 October 2026
Expected despatch date of the Circular together with notice of EGM and proxy form for EGM	Tuesday, 24 November 2026
Latest time for lodging securities to qualify for attendance and voting at the EGM	4:30 p.m. on Monday, 7 December 2026
Latest time for lodging securities for the approved Share Consolidation	4:30 p.m. on Monday, 7 December 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Tuesday, 8 December 2026 to Monday, 14 December 2026
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Saturday, 12 December 2026
Record Date for attending and voting at the EGM	Monday, 14 December 2026
Expected time and date of the EGM	11:00 a.m. on Monday, 14 December 2026
Announcement of poll results of the EGM	Monday, 14 December 2026
Record date for the approved Share Consolidation	Tuesday, 15 December 2026
Register of members for the proposed Share Consolidation closes	Tuesday, 15 December 2026
Effective date of the Increase in Authorised Share Capital	Tuesday, 15 December 2026

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

Events	**Time and date 2026**
Effective date of the Share Consolidation	Wednesday, 16 December 2026
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Wednesday, 16 December 2026
Original counter for trading in Existing Shares in board lot of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 16 December 2026
Temporary counter for trading in the Consolidated Shares in board lot of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 16 December 2026
First day of free exchange of existing share certificates for the Existing Shares for new share certificates for the Consolidated Shares	Wednesday, 16 December 2026
Last day of dealings in the Consolidated Shares on a cum-rights basis of the Rights Issue	Wednesday, 16 December 2026
First day of dealings in the Consolidated Shares on an ex-rights basis of the Rights Issue	Thursday, 17 December 2026
Latest time for lodging transfer documents of the Consolidated Shares in order to be qualified for the Rights Issue	4:30 p.m. on Friday, 18 December 2026
Closure of register of members of the Company to determine the entitlement to the Rights Issue (both dates inclusive)	Monday, 21 December 2026 to Monday, 28 December 2026
Record Date for determining entitlements to the Rights Issue	Monday, 28 December 2026
Register of members of the Company re-opens	Tuesday, 29 December 2026

Events	Time and date 2026 and 2027
Despatch of the Prospectus Documents (including the PAL and Prospectus), (in case of the Excluded Shareholders, the Prospectus only)	Tuesday, 29 December 2026
Effective date of the Change in Board Lot Size from 10,000 Existing Shares each to 5,000 Consolidated Shares each	Thursday, 31 December 2026
Original counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 31 December 2026
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates for the Consolidated Shares) commences	9:00 a.m. on Thursday, 31 December 2026
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 31 December 2026
First day of dealings in nil-paid Rights Shares in new board lot size of 5,000 shares	Thursday, 31 December 2026
Latest time for splitting of PALs	4:30 p.m. on Tuesday, 5 January 2027
Last day of dealings in nil-paid Rights Shares	Friday, 8 January 2027
Latest time to lodge transfer of nil-paid Rights Shares to qualify for the payment of Net Gain	4:00 p.m. on Wednesday, 13 January 2027
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 13 January 2027

Events	Time and date 2027
Announcement of the number of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to Compensatory Arrangements	Tuesday, 19 January 2027
Commencement of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent, on a best-effort basis (if any)	Wednesday, 20 January 2027
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 21 January 2027
Temporary counter for trading Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 21 January 2027
Parallel trading in Consolidated Shares (in the form of both existing share certificates and new share certificates for the Consolidated Shares) ends	4:10 p.m. on Thursday, 21 January 2027
Latest date and time for free exchange of existing share certificates for the new shares certificate of the Consolidated Shares	4:00 p.m. on Monday, 25 January 2027
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent, on a best-effort basis (if any)	4:00 p.m. on Monday, 25 January 2027
Latest time for the termination of the Placing Agreement for the Rights Issue	4:00 p.m. on Tuesday, 26 January 2027
Announcement of results of the Rights Issue including the results of the Placing and the Net Gain	Monday, 1 February 2027

Events	Time and date 2027
Despatch of share certificates of fully paid Rights Shares or refund cheques, if any, if the Rights Issue is terminated	Tuesday, 2 February 2027
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 3 February 2027
Payment of Net Gain to relevant No Action Shareholders (if any) and/or Excluded Shareholders (if any)	Wednesday, 17 February 2027

Note: All times and dates in this timetable refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

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" or a "black" rainstorm warning is:

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

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

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

MILAN STATION HOLDINGS LIMITED
米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

Executive Directors:
Mr. Hu Bo
Ms. Ji Guiping

Independent non-executive Directors:
Mr. Chan Chi Hung
Mr. Tou Kin Chuen
Mr. Choi Kam Yan, Simon

Registered Office:
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P.O. Box 2681
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Cayman Islands

Head Office and Principal Place of business in Hong Kong:
Room A9, 3F., Block A,
Hong Kong Industrial Centre,
489-491 Castle Peak Road,
Lai Chi Kok,
Hong Kong

24 November 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; (2) PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE; (3) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (4) PLACING AGREEMENT UNDER THE COMPENSATORY ARRANGEMENTS; AND (5) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Increase in Authorised Share Capital, the Share Consolidation, the Change of Board Lot Size, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Increase in Authorised Share Capital, the Share Consolidation, the Change of Board Lot Size, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the Placing Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue and the Placing Agreement; and (iv) a notice convening the EGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company is HK$80 million divided into 2,000,000,000 Existing Shares. In order to provide the Company with greater flexibility in fund raising, accommodate the future expansion and growth of the Group and provide the Company with greater flexibility for future expansion in the share capital of the Company, the Board proposes that the authorised share capital of the Company be increased to HK$400 million divided into 10,000,000,000 Existing Shares. The proposed Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

The Board is of the view that the Increase in Authorised Share Capital will provide the Company with greater flexibility for future fundraising and expansion in the share capital of the Company, and is therefore in the interests of the Company and the Shareholders as a whole.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation and the Increase in Authorised Share Capital.

PROPOSED SHARE CONSOLIDATION

Subject to the Increase in Authorised Share Capital becoming effective, the Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK$0.04 each will be consolidated into one (1) Consolidated Share of HK$0.20 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

Effect of the Share Consolidation

Subject to the Increase in Authorised Share Capital becoming effective, the authorised share capital of the Company will become HK$400,000,000 divided into 10,000,000,000 Existing Shares of par value of HK$0.04 each, and there are 1,056,936,650 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued or repurchased from the Latest Practicable Date up to the effective date of the Share Consolidation, upon the Increase in Authorised Share Capital and the Share Consolidation becoming effective,

the authorised share capital of the Company will become HK$400,000,000 divided into 2,000,000,000 Consolidated Shares with par value of HK$0.20 each, of which 211,387,330 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of Share Consolidation is conditional upon:

(i) the Increase in Authorised Share Capital becoming effective;

(ii) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;

(iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and

(iv) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

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

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on Wednesday, 16 December 2026.

Listing Application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective. Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Suncorp Securities Limited as a designated broker to provide a matching service, on a best effort basis. Shareholders who wish to take advantage of this facility should contact customer service of Suncorp Securities Limited (telephone number +852 3899 1810 or by facsimile at +852 3899 1888) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) from 9:00 a.m. on Thursday, 31 December 2026 to 4:10 p.m. on Thursday, 21 January 2027 (both days inclusive).

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangement does not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation having become effective, Shareholders may, during the period from Wednesday, 16 December 2026 to 4:00 p.m. on Monday, 25 January 2027 (both days inclusive), submit the existing share certificates for the Existing Shares to the Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be in yellow colour in order to distinguish them from the existing share certificates in red colour.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which are convertible or exchangeable into Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

As of the Latest Practicable Date, the Existing Shares in issue are traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 5,000 Consolidated Shares.

Based on the closing price of HK$0.069 per Existing Share (equivalent to the theoretical closing price of HK$0.345 per Consolidated Share) as at the Latest Practicable Date, (i) the market value of each board lot of 10,000 Existing Shares is HK$690; (ii) the market value of each board lot of 10,000 Consolidated Shares would be HK$3,450, assuming the Share

Consolidation has become effective; and (iii) the estimated market value of each board lot of 5,000 Consolidated Shares would be HK$1,725 on the assumption that the Change in Board Lot Size has also become effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The "**Guide on Trading Arrangements for Selected Types of Corporate Actions**" issued by Hong Kong Exchanges and Clearing Limited (the "**Guide**") has further stated that (i) market price of the shares at a level less than HK$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules, and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$1,000.

As at the Latest Practicable Date, the closing price of an Existing Share of the Company was HK$0.069, with a board lot size of 10,000 Existing Shares, the existing board lot value was only HK$690, which was less than HK$1,000. Based on the closing price of HK$0.069 per Existing Share (equivalent to theoretical closing price of HK$0.345 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the expected market value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size have become effective, would be HK$1,725, which is greater than HK$1,000 and therefore complies with the requirement as set out in the Guide.

In view of the recent trading prices of the Shares and noted that the trading price was relatively low. Starting from the end of July 2026 to the Latest Practicable Date, the highest closing price of an Existing Share of the Company was just HK$0.118, with a board lot size of 10,000 Existing Shares, the board lot value was only HK$1,180 and starting from the end of May 2026, the Existing Share of the Company was started to fall below HK$0.1. The Board considered that the Share Consolidation and the Change in Board Lot Size will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since many banks/securities houses will charge minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, the Board believes that investment in the Consolidated Shares would become more attractive to a broader range of investors, thereby improving the liquidity of the Consolidated Shares and further broadening the shareholder base of the Company.

The Board believes that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation and the Change in Board Lot Size are justifiable to achieve the above-mentioned purposes notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Taking into account the Rule 13.64 of the Listing Rules and the minimum transaction costs for a securities trade and the potential benefits and the insignificant amount of costs to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, save for the Rights Issue, there is no agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) for any fund raising activity for the Group in the coming 12 months; and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months; and the Company has no intention to carry out any other corporate action that would undermine the effect of the proposed Share Consolidation and change in board lot size. However, in the event there is any change to the business environment and/or financial position of the Company due to unforeseeable circumstances, and the Company is required to conduct further fund raising exercises when suitable opportunities arise in order to support future development of the Group, the Company will publish further announcement(s) in compliance with the Listing Rules, as and when appropriate.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK$76.1 million (assuming no change in the number of Shares in issue on or before the Record Date) by issuing up to 211,387,330 Rights Shares at the Subscription Price of HK$0.36 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date. As at the Latest Practicable Date, the Company has no intention or plan to conduct other equity fund-raising activities in the next 12 months upon completion of the Rights Issue.

Details of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.36 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	1,056,936,650 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective	:	211,387,330 Consolidated Shares (assuming there is no further allotment and issue or repurchase of Existing Shares up to the effective date of the Share Consolidation)
Number of Rights Shares	:	up to 211,387,330 Rights Shares (assuming no change in the number of Existing Shares in issue on or before the Record Date)
Aggregated nominal value of the Rights Shares	:	up to HK$42,277,466 (assuming no change in the number of Shares in issue on or before the Record Date).
Number of Consolidated Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	422,774,660 Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue).
Gross proceeds from the Rights Issue	:	Approximately HK$76.1 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date).
Net proceeds from the Rights Issue	:	Approximately HK$73.1 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date).

Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.346 per Rights Share (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date).
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As at the Latest Practicable Date, the Group has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Existing Shares.

Assuming no change in the number of issued Consolidated Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 211,387,330 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the issued share capital of the Company as at the Latest Practicable Date and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the

Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

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

Subscription Price

The Subscription Price is HK$0.36 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a premium of approximately 9.1% over the closing price of HK$0.330 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day (based on the closing price of HK$0.066 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);

(ii) a premium of approximately 4.3% over the theoretical closing price of HK$0.345 per Consolidated Share (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Latest Practicable Date;

(iii) a discount of approximately 4.8% to the average of the closing prices of HK$0.378 per Consolidated Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day (based on the average closing price of HK$0.0756 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);

(iv) a discount of approximately 5.8% to the average of the closing prices of approximately HK$0.382 per Consolidated Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day (based on the average closing price of approximately HK$0.0764 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);

(v) a premium of approximately 4.3% over the theoretical ex-rights price of approximately HK$0.345 per Consolidated Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.33 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 4% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical diluted price of approximately HK$0.3755 per Consolidated Share and the benchmarked price of HK$0.391 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.33 per Consolidated Share and the average of the closing prices of the Consolidated Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK$0.391 per Consolidated Share); and

(vii) a premium of approximately 7.1% to the unaudited consolidated net asset value attributable to owners of the Company per Consolidated Share of approximately HK$0.3361 (based on the latest published unaudited consolidated net asset value attributable to owners of the Company of HK$71,050,000 as at 30 June 2026 and 211,387,330 Consolidated Shares in issue after the Share Consolidation).

(viii) a discount of approximately 7.9% to the benchmarked price of HK$0.391 per consolidated share (average closing price in the five trading days immediately prior to the date of the Announcement and the closing price for the date of entering into the placing agreement).

Determination of the Subscription Price

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

The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price as illustrated above, taking into consideration the recent decreasing trend of the market price per Share from HK$0.12 to HK$0.065 since May 2026 and the average daily closing price of the Shares during the last 10 trading days.

In addition, during the five months prior to and including the Latest Practicable Date, the Company's average daily trading volume (i.e., 838,058 Shares, calculated based on the total trading volume divided by the total number of days during the five months prior to and including the Latest Practicable Date) represented merely approximately 0.08% of the total issued share capital of the Company;

Under the prevailing market circumstances and economic sentiment and with reference to (i) the recent market performance of the Shares of the Company's average daily trading volume during the five months prior to and including the Latest Practicable Date as illustrated above indicated a lack of liquidity and demand for the Shares; (ii) the recent business performance and financial position of the Group, especially the turnaround to profit from loss-making position for the year ended 31 December 2025 and the decrease in net loss for the period ended 30 June 2026 resulting from the net gain recognised on financial assets at fair value through profit or loss and the effective cost control of the operating expenses. The Board believed that together with procuring and selling high-end luxury products indicated future potential scale up of the operations; (iii) Despite the closing price experienced a sharp single-day adjustment down to HK$0.330 on the Last Trading Day, the subscription price represent a discount of approximately 4.8% and 5.8% to the average closing price for the five (5) consecutive trading days up to and including the Last Trading Day and for the ten (10) consecutive trading days up to and including the Last Trading Day respectively.

Therefore, the Board believes that setting the Subscription Price at a discount to the average closing price for the five (5) and ten (10) consecutive trading days up to and including the Last Trading Day would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Company.

In view of the above, and having considered that all the Qualifying Shareholders will be offered an equal opportunity to subscribe for the Rights Shares by way of provisional allotment, the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue and the Placing Agreement, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

(i) the passing of all necessary resolution(s) by the Independent Shareholders at the EGM to approve, among others, the Rights Issue, the Increase in Authorised Share Capital and the Share Consolidation and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);

(ii) the Increase in Authorised Share Capital, the Share Consolidation and the Change in Board Lot Size becoming effective;

(iii) the electronic submission to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents and other documents no later than the Prospectus Posting Date in compliance with the Listing Rules and the Companies (WUMP) Ordinance;

(iv) the Prospectus Documents having been made available to the Qualifying Shareholders (and, where applicable, the Prospectus to the Non-Qualifying Shareholders, if any, for information only) and the publication of the Prospectus Documents on the website of the Stock Exchange and the Company's website on or before the Prospectus Posting Date;

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

(vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and

(vii) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

As at the Latest Practicable Date, none of the conditions has been fulfilled. None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the fulfilment of the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company.

Qualifying Shareholders

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

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

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Friday, 18 December 2026.

The last day of dealing in the Consolidated Shares on cum-rights basis is Wednesday, 16 December 2026. The Consolidated Shares will be dealt with on an ex-rights basis from Thursday, 17 December 2026.

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

Rights of Overseas Shareholders (if any)

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

The Company notes the requirements specified in the notes to Rule 13.36(2) of the Listing Rules, and is in the process of making reasonable enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders present on the Record Date. If, after such enquiries, the Company is of the opinion that it would be necessary or expedient, on account of the legal restrictions or prohibitions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory body or stock exchange in such jurisdictions, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Such Overseas Shareholders will be regarded as Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

As at the Latest Practicable Date, the Company has made reasonable enquiries to Overseas Shareholders and there are 10 Overseas Shareholder with registered address situated in the People's Republic of China who are interested in 16,470,000 Shares and 1 Overseas Shareholder with registered address situated in Taiwan, who is interested in 48,660,000 shares, representing approximately 1.6% and 4.6% of the total issued share capital of the Company respectively.

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

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the Listing Rules. The Company is seeking advice from legal advisers that if there are any restrictions under securities law or other similar laws in the PRC and Taiwan or requirement of any regulatory body or stock exchange in the PRC and Taiwan which would prevent the Company from extending the Rights Issue to the Overseas Shareholders in the PRC and Taiwan. The Company will further update the result in the prospectus. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Basis of provisional allotment

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

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

No fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefit and interests of the Company.

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 2 February 2027. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before Tuesday, 2 February 2027 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

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

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 7 October 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to the independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 25 January 2027, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

B. the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

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

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

Principal terms of the Placing Agreement entered into on 7 October 2026, which is supplemented by another agreement dated 24 November 2026 are summarised as follows:

Date	:	7 October 2026 (after trading hours of the Stock Exchange), which is supplemented by another agreement dated 24 November 2026
Issuer	:	The Company
Placing Agent	:	Suncorp Securities Limited, a corporation licensed to engage in Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Period	:	The period commencing from Wednesday, 20 January 2027 and ending at 4:00 p.m. on Monday, 25 January 2027.
Commission and expenses	:	3% of the aggregate placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
Placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares (as the case maybe)	:	The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be not less than the Subscription Price. The final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the process of placement.

Placees	:	The Placing Agent undertakes to use its best endeavours to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; (ii) Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue; and (iii) ensure that the relevant Rights Shares including Unsubscribed Rights Shares and the ES Unsold Rights Shares are placed to Independent Third Parties.
Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares	:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.
Conditions of the Placing Agreement	:	The obligations of the Placing Agent under the Placing Agreement are conditional upon: (i) the passing of the Independent Shareholders at the EGM of ordinary resolutions to approve the Increase in Authorised Share Capital, the Share Consolidation and the Rights Issue, the Placing Agreement and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either in person or by proxy at the EGM by way of poll); (ii) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked; (iii) the Increase in Authorised Share Capital, the Share Consolidation and the Change in Board Lot Size having become effective;

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

(v) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it was repeated as at the time of completion; and

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

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

In the event that the above conditions precedent have not been fulfilled or waived on or before the Latest Time for Termination, all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Latest Time for Termination or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

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

Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or would materially prejudice the success of the Placing or full placement of all of the Unsubscribed Rights Shares and the ES Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

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

(ii) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would affect the success of the Placing; or

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

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

(v) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the Placing Agreement to be on normal commercial terms.

In determining the placing commission, the Company reviewed the prevailing market rate with reference to the rights issue exercises conducted by companies listed on the Stock Exchange for a three-month period prior to the Last Trading Day, details of which are set out in the table below.

Announcement date	Company name	Stock Code	Basis of entitlement	Net proceeds *HK$ million*	Underwriting basis	Placing commission
22-Oct-26	FAR International Holdings Group Company Limited	2516	2 for 5	72.74	Non-underwritten	1.50%
16-Oct-26	Coolpad Group Limited	2369	1 for 2	56	Non-underwritten	2.50%
16-Oct-26	Golden Power Group Holdings Limited	3919	1 for 2	12.6	Non-underwritten	3%
7-Oct-26	Lai Group Holding Company Limited	8455	2 for 1	31	Non-fully underwritten	2%
30-Sep-26	Plateau Treasures Limited	8402	1 for 2	10.76	Non-underwritten	4.50%
10-Sep-26	Moon Inc.	1723	1 for 2	61.15	Non-underwritten	2%
4-Sep-26	Reach New Holdings Limited	8471	3 for 1	43.1	Non-underwritten	1.40%
1-Sep-26	China Environmental Technology Holdings Limited	646	6 for 1	184.33	Non-underwritten	3%
17-Aug-26	AI Energy Engineering Holdings Limited	1751	2 for 5	72.4	Non-underwritten	3%
14-Aug-26	Asia-Pac Financial Investment Company Limited	8193	2 for 1	53.9	Non-underwritten	3%
					Min	1.40%
					Max	4.50%
					Average	2.59%

As illustrated in the table of Comparables above, the commission charged by the placing agents in rights issue exercises conducted on a non-underwritten basis ranged from approximately 1.4% to 4.5%, taking reference with the commission charged by the placing agents for raising of approximately HK$10.76 to HK$184.33 million (which is similar to the net proceeds raised from the Rights Issue), with the average being 2.59%. Together with the satisfactory of performance from the previous engagement of the Placing Agent, the placing commission of 3% payable to the Placing Agent is fair and reasonable and within the market range of the comparables. Further, the Directors noted that the placing commission rate of 3% was consistent with that charged by the Placing Agent in other rights issue exercises placed by the Placing Agent. Accordingly, the Directors consider that (i) the placing commission falls within the range of the recent market comparables in the three-month period prior to the Last Trading Day; and (ii) the placing commission charged by the Placing Agent is no less favorable to the Company than the commissions the Placing Agent charged with other listed issuers in the market in the three-month period prior to the Last Trading Day. The Directors are therefore of the view that the Placing commission rate of 3% under the Placing Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

The Placing Agent confirms that it is an Independent Third Party. The Placing Agent will, on a best effort basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties to subscribe for all (or as many as possible) of the Unsubscribed Rights Shares and ES Unsold Rights Shares.

If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Excluded Shareholders. Any ES Unsold Rights Shares and/or Unsubscribed Rights Shares that are not placed by the Placing Agent will not be issued by the Company. As at the Latest Practicable Date, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company. As such, the Company considers that the Compensatory 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.

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

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 acceptance of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

Application for listing

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

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil paid and fully-paid forms with their board lot size being the same (i.e. 5,000) as their underlying Shares on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees and charges

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

Taxation

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 8 December 2026 to Monday, 14 December 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM and from Monday, 21 December 2026 to Monday, 28 December 2026 (both days inclusive) for determining the entitlement to the Rights Shares. No transfer of Shares will be registered during the above book closure periods.

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

The Company is a limited company incorporated in the Cayman Islands and is an investment holding company. The Group is principally engaged in the retailing of handbags, fashion accessories, embellishments and spa and wellness products.

As disclosed in the annual report (the "**Annual Report**") for the year ended 31 December 2025 published on 29 April 2026 and the interim report (the "**Interim Report**") for the period ended 30 June 2026 published on 29 September 2026, as at 31 December 2025 and 30 June 2026, the cash and cash equivalents of the Group amounted to approximately HK$8.06 million (audited) and HK$9.01 million (unaudited) respectively. The Company has used most of the cash for procurement of stocks. Having considered the existing cash level of the Group as well as the administrative and rental expenses required for the Group's daily operation, couple with leveraging the recent growth in Hong Kong tourism to capture increasing opportunities in tourist consumption. The Company proposed to raise additional fundings to capture the opportunities and cope with the operation's needs.

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

The net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK$73.1 million (assuming no change in number of Shares in issue on or before Record Date). The Company intends to use the net proceeds from the Rights Issue for the following purposes:

(i) approximately 54.8% (or approximately HK$40.1 million, assuming no change in number of Shares in issue on or before Record Date) for the increase in inventories procurement;

(ii) approximately 7.1% (or approximately HK$5.2 million) for the settlement of rental expenses of the Group's retail stores for the next 12 months;

(iii) approximately 8.5% (or approximately HK$6.2 million) for the payment of salaries of the Group's employees for the next 12 months;

(iv) approximately 24.9% (or approximately HK$18.2 million) for the repayment of bond interest and payable with (a) principal of HK$8 million with fixed interest rate at 6% per annum which matures in November 2026; (b) principal of HK$1.5 million with fixed interest rate at 6% per annum which matures on 21 September 2028; (c) principal of HK$8 million with fixed interest rate at 8% per annum which matures on 16 April 2028; and

(v) approximately 4.7% (or approximately HK$3.4 million) for general working capital which approximately HK$1.4 million for legal and professional fees and approximately HK$2 million for advertising and marketing expenses of the Group.

The Company expects to fully utilise the net proceeds from the Rights Issue for the purpose (i) by the second quarter of 2027; (ii) by the end of 2027; (iii) by the end of 2027; (iv) by the first quarter of 2027; and (v) by the first quarter of 2027. In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

The Company considered that the repayment and early redemption of bonds can reduce the overall interest expenses and strengthen the Group's balance sheet which is in the best interest of the Company and shareholders as a whole. For the bond with principal of HK$8 million which matures in November 2026, the Company has entered into the extension agreement for the loan extension of 3 months.

Based on the recent consumer's behavior and consumption pattern by referencing to the Company's internal records of previous point of sale data and the purchasing patterns from 2024 to 2026, the recent and last 2 quarter's inquiry rates and pre-order waitlist data, the Company realises that there is a new opportunity that is "wealth effect" of resilient domestic high-net-worth individuals and affluent inbound traveler. As macro consumer behaviors have shifted toward highly selective and identity-driven spending, the Company is going to change the products mix and mainly focusing on the high-end luxury products which have a higher profit margin while most of the inventories of the Group are just medium to high end products. According to the Company's internal records, the high-end luxury products refer to Hermes iconics and other ultra-rare/ limited-edition collectible pieces with the expected profit margin ranging from 20-28%. Therefore, the Company intends to scale up the operations by procuring more high-end luxury products and capturing the "wealth effect" opportunity.

The Board has noted that the Group holds certain listed securities which recorded an unrealised positive fair value gain in 2025. These investments are regarded as part of a diversified portfolio and a long-term investment intended to generate additional returns and strengthen the Group's balance sheet. The Group will keep focusing on its operation as the priority and the securities investment is not intended as a substitute for the Group's operating businesses.

In summary, the listed securities portfolio is a long-term investment of the Group which has been generating satisfactory returns (a fair value gain of approximately HK$15.7 million for the year ended 31 December 2025, and a realised gain of approximately HK$10.2 million for the six months ended 30 June 2026). The portfolio consists mainly of mid-to-small cap securities with low structural trading volumes; a forced, short-term liquidation would crystallise substantial adverse price impact and permanent capital loss, and would forfeit the upside potential of the portfolio. The Rights Issue, by contrast, provides dedicated funding for operational expansion while allowing existing Shareholders to participate equitably and maintain their proportional ownership. The Board therefore considers that proceeding with the Rights Issue, while realising the listed securities gradually in accordance with the Group's realisation policy, is in the best interests of the Company and the Shareholders as a whole.

The Group's listed securities investments are regarded as part of a diversified portfolio and a long-term investment intended to generate additional returns and strengthen the Group's balance sheet. As disclosed in the "Management Discussion and Analysis" of the Company's 2025 Annual Report published on 29 April 2026 (the "**2025 Annual Report**") and the 2026 Interim Result Announcement published on 28 August 2026 (the "**2026 Interim Result Announcement**"), the Group adopted a passive investment strategy for these investments and maintains a diversified investment portfolio to mitigate risks, with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

In accordance with HKFRS 9 "Financial Instruments", the Group's listed equity securities are held for trading and are classified as financial assets at fair value through profit or loss ("**FVTPL**") under current assets. As disclosed in Note 20 to the consolidated financial statements of the 2025 Annual Report, the carrying amounts of these financial assets are measured at fair value with reference to quoted market bid prices.

Under the Group's internal investment policy, the management regularly assesses the listed securities portfolio from time to time and prioritises the gradual realisation of profitable positions. As at 30 June 2026, the Group has realised aggregate proceeds of approximately HK$15.8 million from profitable securities. Any surplus cash received from the realisation of profitable securities or from operations will be applied towards to the procurement of high-ended luxury inventories by changing the products mix where the existing inventories are mainly comprises of mid to low ended luxury inventories and/or dividend distribution to the Shareholders in accordance with the Company's dividend policy as disclosed in the 2025 Annual Report.

Factors considered in the realisation of the listed securities (mid-to-small cap listed securities)

In order to balance the working capital needs of the Group (including (i) procurement of high-end inventories; (ii) addressing sudden and unexpected market fluctuations; and (iii) general working capital) against the realisation of the listed securities portfolio, the Company takes into account, among others, the following factors:

(i) the macro environment and the conditions of the Hong Kong stock market;

(ii) the outlook of the relevant industries;

(iii) the trading volume and liquidity of the relevant securities;

(iv) the upside potential of the relevant securities; and

(v) the historical and recent price movements of the relevant securities.

As the Group's portfolio consists mainly of mid-to-small cap securities, liquidity is the critical constraint. Based on recent trading data, the average monthly trading volume of the profitable securities held by the Company from January to June 2026 which ranged from approximately 67,000 shares to 1,256,000 shares, representing merely approximately 0.02% to 0.36% of the total issued share capital of the respective investee companies, whereas the Company's holdings represented more than 1% of the respective issued share capital, by reference to the number of share held by the Company divided by the average monthly trading volume, the Company considered that the realisation of the securities should be completed in four months under the Company's best effort. Two consequences follow:

(a) Slippage on thin order books: a large market sell order would consume all available bids at the prevailing price level and then execute against progressively lower bids, resulting in a material adverse price impact and the majority of the shares being sold at an artificially depressed price, which is not in the best interests of the Company and the Shareholders as a whole; and

(b) Wide bid-ask spreads: low-liquidity securities naturally carry wide bid-ask spreads. Exiting a position in a single block forces execution at bid prices significantly below the last traded price at which the portfolio is carried, which would immediately crystallise a permanent loss – turning a liquidity risk into an immediate and permanent capital loss.

Accordingly, the realisation of such securities must be spaced out gradually and executed through patient, phased disposals rather than immediate market orders, in order to protect the portfolio value. These securities cannot be realised within a short period of time without triggering substantial adverse price impact.

Determination of the estimated fair value of the listed securities and the realisation timeline, with supporting

Accounting fair value: in accordance with HKFRS 9 and HKFRS 13 "Fair Value Measurement", the fair value of the Group's listed securities is determined with reference to quoted market bid prices in active markets (Level 1 fair value measurement), as disclosed in Note 20 and Note 38 to the consolidated financial statements of the 2025 Annual Report.

Estimated realisable value (internal target): for the purpose of its realisation policy, the Company determines the estimated realisable value of a security by reference to, among others, the return statistics of the Hang Seng Composite Mid-Cap Index and the Hang Seng Composite SmallCap Index in historical bull-market cycles (with typical returns of above 39% and above 44% respectively, and returns ranging from 100% to 300% or above for high-beta leaders/sector leaders), the security's own historical and recent price movements, trading volume and industry outlook. As the Group's securities are mainly mid-to-small caps, and based on the Company's own realisation track record, the Company considers a target return of 30% to 100% or above from the mid-to-small cap securities reasonable and achievable.

During the six months ended 30 June 2026, the Group realised aggregate proceeds of approximately HK$15.8 million from profitable securities, representing a net gain of approximately HK$6.6 million on financial assets at fair value through profit or loss, and the positions realised included securities with returns of more than 100% over their respective average costs. Key figures of 2025 and 2026 are summarised below:

Item	Approximate amount	Source
Fair value of listed securities portfolio as at 31 December 2025	HK$57.4 million	2025 Annual Report – MD&A and Note 20 to the consolidated financial statements
Fair value gain on financial assets at FVTPL for FY2025	HK$15.7 million	2025 Annual Report – MD&A
Gain on disposal of financial assets at FVTPL for FY2025	HK$1.7 million	2025 Annual Report – MD&A
Aggregate disposal proceeds from profitable securities for the six months ended 30 June 2026	HK$15.8 million	2026 Interim Result Announcement – MD&A

Realisation timeline: as explained in section headed "Factors considered in the realisation of the listed securities (mid-to-small cap listed securities)" above, given the low structural trading volumes and wide bid-ask dynamics of the mid-to-small cap securities held (average monthly trading volume of the profitable securities representing merely approximately 0.02% to 0.36% of the respective issued share capital, against the Company's holdings of more than 1%), order execution must be managed through patient, phased disposals rather than immediate market orders. Accordingly, the Company has adopted an approximately four-month realisation window for each tranche under its realisation policy. In alignment with the Group's risk management framework, the Rights Issue diversifies the Group's funding channels, thereby safeguarding capital stability even during periods when market conditions for liquidating securities are unfavorable.

Realisation plans under each scenario

The Group's securities portfolios are mainly generalised into three categories, a) conservative; b) normal; c) aggressive by considering, i) the market capitalization & index inclusion; ii) the volatility; iii) the liquidity and the trading volume; iv) the dividend yield; v) the business and financial profile of the securities. As at 30 June 2026, the carrying value of the securities under conservative category is approximately HK$17.9 million; normal category is approximately HK$25.6 million; and aggressive category is approximately HK$21.9 million. As at 30 June 2026, there are approximately 30% of the securities under conservative, 80% of the securities under normal and aggressive categories met the expected returns. The Group will adopt different realisation plans on each of the categories.

The Group's realisation plans under each of the four scenarios are as follows:

(i) Profit-making case: a) for those securities under conservative type, when the price of a security reaches or exceeds the estimated realisable value (i.e. 30% or more above the average cost); b) for those securities under normal type, when the price of a security reaches or exceeds the estimated realisable value (i.e. 50% or more above the average cost); c) for those securities under aggressive type, when the price of a security reaches or exceeds the estimated realisable value (i.e. 80% or more above the average cost), by taking reference to the track record of the realisation of securities, four-month realisation window for each tranche is achievable, the Company will use its best endeavours to realise, within approximately four months.

(ii) Loss-making case: the Company will not realise the loss-making securities for the time being, as doing so would immediately crystallise a permanent loss and forfeit the upside potential of these temporarily depressed assets, which is considered not in the best interests of the Company and the Shareholders as a whole. However, as a stop-loss discipline, if the price of a security falls by more than 15% below its average cost, the Company will realise that security within four months. In addition, if there is a material adverse change in the structural investment thesis of a security (e.g. regulatory changes by the Mainland/Hong Kong authorities, or unexpected loss of key customers of the investee company), the Company will realise that security immediately, regardless of whether the prevailing paper loss is above or below the 15% threshold. According to the historical data shows that bull markets last about 2.7 to 5.7 years on average while bear markets that typically last around 9 months to 1.5 years. Therefore, for those securities which fall within 15% from its average cost for more than 2 years, the Company will realise that security within four months.

(iii) From profit-making to loss-making case: the Company will apply the policy for loss-making securities as set out in paragraph (ii) above.

(iv) From loss-making to profit-making case: the Company will apply the policy for profit-making securities as set out in paragraph (i) above.

As at the Latest Practicable Date, the Group has realised aggregate proceeds of approximately HK$20.8 million from profitable securities. The proceeds are used in the procurement of inventories. Starting from the date of Announcement, the Group has commenced realising the profitable securities under the realisation plan. During the period from July 2026 to the Latest Practicable Date, the Group has realized aggregate proceeds of approximately HK$4.9 million under normal category and recognised a realised gain of HK$3.2 million. The Group has been gradually realising the securities which met the expected return.

During the date of Announcement to the Latest Practicable Date, the Group has kept monitoring the market status of the relevant profitable securities, as the market liquidity and the trading volume of the relevant profitable securities are relatively low, there is limited buy orders on the market, it is difficult to realise all the profitable securities on the market, so the Group did not placed the sales orders on the market and therefore tried to realise the relevant profitable securities through off-market. In order to adopt four month realisation window for the securities which meet the expected returns, the Group will realise the profitable securities on the market and through off-market including but not limited to, a) approaching institutional brokers or investment banks to match our sell order privately with a specific buyer; b) engaging with strategic investors, private equity firms or family offices directly from directors's personal networks or brokers's network to negotiate a direct private sale. The Group considered that the four month realisation window is achievable. As at the date of this circular, no potential buyers is found. The Group will keep realising the profitable securities on the market and off-market.

The Group will keep monitoring the market status and place the sales orders on the market with reasonable adjustments to the ask price and the number of shares from time to time by referencing to the then market liquidity and the trading volume of relevant profitable securities or realise the relevant securities through off-market under the realisation plan of the Group. According to the historical realisation records in 2026 and up to date of this circular, the Group has successfully realised some of the profitable securities on the market and off-market in around 4 months including realisation of approximately HK$7.8 million in one single month and approximately HK$15.7 million in four months. Starting from the date of the Announcement, the Group has been actively realising the securities for the purpose of gaining the expected return of approximately HK$32.1 million (the fair value of profitable securities which meet the expected target as at the date of the Announcement). Therefore, the Group considered that the realisation of the profitable securities within four months as mentioned on page 43 through placing sales orders on the market and sourcing potential buyers from off-market is achievable.

The Group will update the realisation status of the securities to the shareholders periodically in interim and annual report.

Reasons for holding the listed securities

The Board is of the view that a short-term liquidation of these assets as the primary funding source for core business expansion would be commercially imprudent. A premature disposal of the Group's listed equity portfolio could mean losing future upside potential or strategic synergies, might not realise full value, and could potentially reduce future income streams and diversification benefits. The reasons for holding the listed securities are as follows:

(a) Demonstrated returns: the portfolio recorded a fair value gain of approximately HK$15.7 million for FY2025 and generated a realised gain of approximately HK$10.2 million for the six months ended 30 June 2026, demonstrating its contribution to the Group's results and balance sheet;

(b) Infrastructure and civil engineering sector: municipal infrastructure expenditure on specialised civil engineering works (such as slope stabilization, landslide prevention and retaining wall reinforcement) is detached from retail economic cycles, as government spending on public safety and climate change adaptation is mandatory and contractually committed. The Group therefore considers this sector to have significant upside potential; and

(c) Closed-end investment vehicles: the share prices of such vehicles frequently trade at deep discounts to their underlying cash-and-asset backing while their net asset values increase as their managers build or turn around the underlying portfolios. These vehicles are unconstrained by single-industry operations and can shift capital into the highest-yielding macroeconomic tailwinds, providing diversified, actively managed multi-asset exposure with hard-asset backing that protects the downside. The Group therefore considers this sector to have significant upside potential.

The Company will from time to time monitor the performance of, and conduct analysis on, the securities portfolio and, as and when appropriate, make considered investment decisions. After taking into account the above factors, the Company considers that the investments in listed securities are reasonable and in the best interests of the Company and the Shareholders as a whole.

In conclusion, all the funds from the Group will be used for the operation needs first, while idle funds will be used in securities investment to generate additional returns. The Rights Issue provides dedicated funding for operational expansion (rather than for existing operating costs) while allowing existing Shareholders to participate equitably and maintain their proportional ownership, and avoids the value destruction that a forced short-term liquidation of the Group's illiquid mid-to-small cap securities would entail. The Board therefore believes that proceeding with the Rights Issue, in parallel with the gradual realisation of the listed securities in accordance with the policy described above, is in the best interests of the Company and the Shareholders as a whole.

In the event if the Rights Issue is not approved by the Independent Shareholders or there is shortfall in the net proceeds raised from the Rights Issue, the Company would consider to accelerate its realisation plan of the listed securities investment in addressing the capital requirements.

Details of the significant investments and the securities portfolio are set out in the "Management Discussion and Analysis" section and the "Independent Auditor's Report" (including Note 20 to the consolidated financial statements) of the 2025 Annual Report published on 29 April 2026 and the 2026 Interim Result Announcement published on 28 August 2026.

Nevertheless, in the event that there is any shortfall in net proceeds from the Rights Issue, the Company will further evaluate the available options according to the operating conditions and may consider to conduct further fundraising exercise to finance the shortfall, as and when appropriate.

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

EFFECT IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the total number of Shares in issue from the Latest Practicable Date up to and including the date of completion of the Rights Issue other than as a result of the Share Consolidation, the table below sets out the shareholding structure of the Company:

	As at the date of the Latest Practicable Date		**Immediately upon the Share Consolidation becoming effective**		**Immediately after completion of the Rights Issue, assuming full acceptance by all the Qualifying Shareholders**		**Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and the Unsubscribed Rights Shares and/or ES Unsold Rights Shares have been fully placed by the Placing Agent under the Compensatory Arrangements**		**Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and none of the Unsubscribed Rights Shares and/or ES Unsold Rights Shares have been placed by the Placing Agent under the Compensatory Arrangements**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Mr. Hu Bo	2,210,000	0.21%	442,000	0.21%	884,000	0.21%	442,000	0.10%	442,000	0.21%
Placees	–	–	–	–	–	–	211,387,330	50.00%	–	–
Other public shareholder	1,054,726,650	99.79%	210,945,330	99.79%	421,890,660	99.79%	210,945,330	49.90%	210,945,330	99.79%
	1,056,936,650	100.00%	211,387,330	100.00%	422,774,660	100.00%	422,774,660	100.00%	211,387,330	100.00%

Notes:

1. This scenario is for illustrative purposes only. As any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and (ii) does not result in the non-compliance of the Public Float Requirement, the Consolidated Shares held by the independent placees are deemed to be in public hands.

2. Pursuant to the Placing Agreement, the Placing Agent shall also ensure that the public float requirement under Rule 13.32B of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue.

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

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

There has not been any equity fund raising activity conducted by the Company in the past twelve months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

The Increase in Authorised Share Capital

The Increase in Authorised Share Capital is conditional upon the approval by the Shareholders by way of an ordinary resolution to be voted on by way of a poll at the EGM. As none of the Shareholders or their associates would have any interest in the Increase in Authorised Share Capital, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Increase in Authorised Share Capital at the EGM.

Share Consolidation

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution to be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates has any interest in the Share Consolidation and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation and the transactions contemplated thereunder by way of poll at the EGM.

The Rights Issue

In accordance with Rule 7.19A of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A(1) of the Listing Rules, where Independent Shareholders' approval is required for a rights issue under Rule 7.19A of the Listing Rules, the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the issuer and their respective associates shall abstain from voting the ordinary resolution to approve the Rights Issue at the EGM.

As at the Latest Practicable Date, Mr. Hu Bo, an executive Director held 2,210,000 Existing Shares, representing approximately 0.21% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, Mr. Hu Bo will abstained from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Company has not conducted any rights issue or open offer within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan Chi Hung, Mr. Tou Kin Chuen and Mr. Choi Kam Yan, Simon, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, and as to the voting action therefor, and the letter from Independent Financial Adviser set out on pages IFA-1 to IFA-44 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The notice convening the EGM to be held at 11:00 a.m. on Monday, 14 December 2026 is enclosed with this circular.

The register of members of the Company will be closed from Tuesday, 8 December 2026 to Monday, 14 December 2026 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment or postponement thereof should you so wish.

Subject to the fulfilment of certain conditions of the Rights Issue including the approval of the Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders.

Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will be made available and/or despatch (as the case may be) the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders. The Company will despatch the PAL in printed form to the Qualifying Shareholders but will not despatch the PAL to the Excluded Shareholders. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will despatch the Prospectus in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

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

The Rights Issue is conditional upon fulfilment of the conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" of this circular, 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. Accordingly, the Rights Issue may or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

RECOMMENDATIONS

The Directors (including the independent non-executive Directors) believe that the terms of the increase in authorised share capital, the share consolidation, the Rights Issue, the Placing Agreement and the transaction contemplated therein are fair and reasonable and in the interests of the Group and the Shareholders as a whole, therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. In case of any inconsistency between the English and Chinese versions of this circular, the English version will prevail.

Yours faithfully
For and on behalf of the Board
Milan Station Holdings Limited
Hu Bo
Executive Director

MILAN STATION HOLDINGS LIMITED
米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

24 November 2026

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company dated 24 November 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders how to vote at the EGM. Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice together with the principal factors and reasons it has taken into consideration on giving its advice, are contained in its letter set out on pages IFA-1 to IFA-44 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

Having taken into account the principal factors and reasons considered by, and the advice of the Independent Financial Adviser, we considered that the Rights Issue and the Placing Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
The Independent Board Committee
Milan Station Holdings Limited

Mr. Chan Chi Hung **Mr. Tou Kin Chuen** **Mr. Choi Kam Yan, Simon**
Independent non-executive Directors

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

Vinco Financial Limited

24 November 2026

To the Independent Board Committee and the Independent Shareholders of Milan Station Holdings Limited

Dear Sirs,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Rights Issue and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 24 November 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Consolidated Share held on the Record Date at the Subscription Price of HK$0.36 per Rights Share, to raise gross proceeds up to approximately HK$76.1 million before expenses by issuing up to 211,387,330 Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Excluded Shareholder(s) (if any).

The maximum net proceeds from the Rights Issue, after deducting all relevant expenses, are estimated to be approximately HK$73.1 million (assuming full subscription under the Rights Issue and no change in the number of Consolidated Shares in issue on or before the Record Date). The net price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK$0.346 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date).

Assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 54.8% (or approximately HK$40.1 million) for the inventories procurement; (ii) approximately 7.1% (or approximately HK$5.2 million) for the settlement of rental expenses of the Group's retail stores for the next 12 months; (iii) approximately 8.5% (or approximately HK$6.2 million) for the payment of salaries of the Group's employees for the next 12 months; (iv) approximately 24.9% (or approximately HK$18.2 million) for the repayment of bond payables and (v) approximately 4.7% (or approximately HK$3.4 million) for general working capital of the Group.

There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten. Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A(1) of the Listing Rules, where Independent Shareholders' approval is required for a rights issue under Rule 7.19A of the Listing Rules, the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting the ordinary resolution to approve the Rights Issue at the EGM.

As at the Latest Practicable Date, Mr. Hu Bo, an executive Director held 2,210,000 Existing Shares, representing approximately 0.21% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, Mr. Hu Bo will abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Company has not conducted any rights issue or open offer within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Chi Hung, Mr. Choi Kam Yan Simon and Mr. Tou Kin Chuen, has been established to advise the Independent Shareholders in connection with the Rights Issue and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

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

OUR INDEPENDENCE

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

years, there was no engagement between the Group and us. Also, we are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we consider that we are eligible to give independent advice on the proposed Rights Issue and the transactions contemplated thereunder of the Company.

BASIS OF OUR OPINION

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

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

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

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. In rendering our opinion in the Circular, we have researched, analyzed and relied on (i) the annual report of the Company for the year

ended 31 December 2025 (the "**2025 Annual Report**"), and the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**"); (ii) the Placing Agreement; and (iii) market information obtained from the website of the Stock Exchange. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Rights Issue, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Business and financial information of the Group

Information of the Group

The Group is principally engaged in the retailing of handbags, fashion accessories, embellishments and spa and wellness products.

Business and financial performance of the Group

Set out below is a summary of the audited consolidated financial information of the Group for each of the two years ended 31 December 2024 ("**FY2024**") and 31 December 2025 ("**FY2025**") and each of the six months ended 30 June 2025 ("**HY2025**") and 30 June 2026 ("**HY2026**") which was extracted from the 2025 Annual Report and the 2026 Interim Report respectively:

Table 1: Historical financial information of the Group

	For the six months ended 30 June		For the year ended 31 December	
	2026	**2025**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	49,143	50,057	125,267	111,855
Gross profit	4,037	5,743	11,932	8,306
Profit/(Loss) for the year/ period attributable to owners of the Company	(2,156)	(11,023)	1,497	(26,359)

	As at 30 June	As at 31 December	
	2026	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)
Cash and bank balances	9,012	8,057	11,249
Total assets	109,651	112,304	103,697
Total liabilities	38,601	39,098	31,461
Net assets	71,050	73,206	72,236

HY2026 versus HY2025

With reference to the 2026 Interim Report, the Group recorded revenue of approximately HK$49.1 million for the six months ended 30 June 2026 ("**HY2026**"), representing a decrease of approximately 1.8% as compared with approximately HK$50.1 million for the corresponding period in 2025 ("**HY2025**"). The decrease in revenue was mainly attributable to a slight decline in sales of handbags. The Group's gross profit was approximately HK$4.0 million, representing a decrease of approximately 29.7% as compared with approximately HK$5.7 million for HY2025. Such decrease was mainly attributable to the decrease in sales of handbags, which resulted in an overall decline in revenue of approximately 1.8%, together with the discount sales of slow moving inventories during the same period. The Group's unaudited consolidated loss for the period was approximately HK$2.2 million for HY2026, representing a significant decrease in loss of approximately 80.4% as compared with a loss of approximately HK$11.0 million for HY2025. The substantial reduction in net loss was mainly due to the net gain recognised on financial assets at fair value through profit or loss ("**FVPL**") and effective cost control of administrative and other operating expenses.

The Group's unaudited total assets and total liabilities as at 30 June 2026 amounted to approximately HK$109.7 million and HK$38.6 million respectively. The Group's unaudited net asset value amounted to approximately HK$71.1 million as at 30 June 2026, representing a decrease of approximately 2.9% as compared to that of approximately HK$73.2 million as at 31 December 2025. The gearing ratio of the Group, calculated based on borrowings and lease liabilities divided by total equity, was approximately 37.4% as at 30 June 2026, which was slightly lower than that of approximately 39.7% as at 31 December 2025. The decrease in the gearing ratio was primarily due to the proportional reduction of liabilities outpaced changes in total equity.

FY2025 versus FY2024

With reference to 2025 Annual Report, the Group recorded revenue of approximately HK$125.3 million for FY2025, representing an increase of approximately 12.0% as compared with approximately HK$111.9 million for FY2024. The increase in revenue was mainly attributable to the sales of handbags. The Group's gross profit was approximately HK$11.9 million, representing an increase of approximately 43.4% as compared with approximately HK$8.3 million for FY2024. The Group's audited consolidated profit for the year was approximately HK$1.5 million for FY2025 as compared with a loss of approximately HK$26.4 million for FY2024. The turnaround from loss to profit was mainly due to the recognition of fair value gain on financial asset at fair value through profit or loss ("**FVPL**") and decrease in selling expenses and impairment loss on property, plant and equipment and right-of-use assets.

The Group's audited total assets and total liabilities as at 31 December 2025 amounted to approximately HK$112.3 million and HK$39.1 million respectively. The Group's audited net asset value amounted to approximately HK$73.2 million as at 31 December 2025, representing an increase of approximately 1.4% as compared to that of approximately HK$72.2 million as at 31 December 2024. Such increase in net asset value was mainly attributable to the increase in financial assets at FVPL. The gearing ratio of the Group, calculated based on the borrowings and obligations under finance lease divided by total equity, was approximately 39.7% as at 31 December 2025 which was higher than that of the Group's gearing ratio of 26.0% as at 31 December 2024. The increase in the gearing ratio was primarily due to a significant rise in borrowings and obligations under finance lease, while total equity remained relatively stable.

Based on the above, we noted that while the Group maintained a relatively stable level of revenue and recorded a significant improvement in its loss position for HY2026, its cash and bank balances remained at a relatively low level as compared to its funding needs. Accordingly, we are of the view that the Group has a need to enhance its liquidity and strengthen its working capital position, and the Rights Issue would provide additional financial resources for the Group's business operations and future development.

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

As set out in the Board Letter, the Company is a limited company incorporated in Cayman Islands and is an investment holding company. The Group is principally engaged in the retailing of handbags, fashion accessories, embellishments and spa and wellness products.

As disclosed in 2025 Annual Report and 2026 Interim Report, we noted that the audited and unaudited cash and cash equivalents of the Group amounted to approximately HK$8.06 million and approximately HK$9.01 million, respectively. The Company has used most of the cash for procurement of stocks. We have discussed with the management regarding the Group's current liquidity position and reviewed the Group's cash and cash equivalents, working capital requirements and upcoming repayment obligations. In conducting our assessment, we have reviewed, among others, (i) the Group's cash flow forecasts covering the period from December 2026 up to April 2028; (ii) the management accounts of the Group for the period ended 30 September 2026; (iii) the breakdown of the Group's outstanding bond payables and repayment schedule as at 30 September 2026; (iv) the tenancy agreements and rental payment schedule of the Group's retail stores; and (v) the staff cost projections provided by the Company. Based on our review of the aforesaid documents and discussions with the management, we understand that the Group is required to maintain sufficient working capital to meet its operational needs and upcoming repayment obligations. We also noted that the Group's cash and cash equivalents amounted to approximately HK$15.1 million as at 30 September 2026, which represented only approximately 20.7% of the estimated net proceeds of approximately HK$73.1 million to be raised under the Rights Issue. Having considered the existing cash level of the Group as well as the administrative and rental expenses required for the Group's daily operation. In addition, the Group intends to leverage the recent growth in Hong Kong tourism to capture increasing opportunities in tourist consumption. Based on our review of the Company's budget and funding plan, the Group's estimated funding requirement amounted to approximately HK$73.1 million, comprising approximately HK$40.1 million for inventory procurement, approximately HK$5.2 million for rental expenses, approximately HK$6.2 million for staff costs, approximately HK$18.2 million for repayment of bond liabilities and approximately HK$3.4 million for general working capital. We further noted from the cash flow forecast that, in addition to the aforesaid funding requirement, the Group is expected to incur other operational cash outflows of approximately HK$236.2 million during the forecast period, comprising approximately HK$233.9 million for payments to suppliers, purchases and other operating costs and approximately HK$2.3 million for repayment of other borrowings, which are expected to be financed by the Group's operating cash inflows and existing financial resources. After taking into account such internal resources and anticipated cash receipts, the Group is expected to have a funding shortfall of approximately HK$73.1 million, which is proposed to be funded by the estimated net proceeds from the Rights Issue. Accordingly, we consider the proposed fund raising to be in line with the Group's forecast funding requirements and operational needs.

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

The net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK$73.1 million (assuming no change in number of Shares in issue on or before Record Date). The Company intends to use the net proceeds from the Rights Issue for the following purposes:

(i) approximately 54.8% (or approximately HK$40.1 million, assuming no change in number of Shares in issue on or before Record Date) for the increase in inventories procurement;

(ii) approximately 7.1% (or approximately HK$5.2 million) for the settlement of rental expenses of the Group's retail stores for the next 12 months;

(iii) approximately 8.5% (or approximately HK$6.2 million) for the payment of salaries of the Group's employees for the next 12 months;

(iv) approximately 24.9% (or approximately HK$18.2 million) for the repayment of bond interest and payable with (a) principal of HK$8 million with fixed interest rate at 6% per annum which matures in November 2026; (b) principal of HK$1.5 million with fixed interest rate at 6% per annum which matures on 21 September 2028; (c) principal of HK$8 million with fixed interest rate at 8% per annum which matures on 16 April 2028; and

(v) approximately 4.7% (or approximately HK$3.4 million) for general working capital which approximately HK$1.4 million for legal and professional fees and approximately HK$2 million for advertising and marketing expenses of the Group.

The Company expects to fully utilise the net proceeds from the Rights Issue for the purpose (i) by the second quarter of 2027; (ii) by the end of 2027; (iii) by the end of 2027; (iv) by the first quarter of 2027; and (v) by the first quarter of 2027. In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

Based on our discussion with the management of the Company, the Company considered that the repayment and early redemption of bonds can reduce the overall interest expenses and strengthen the Group's balance sheet which is in the best interest of the Company and Shareholders as a whole. For the bond with principal of HK$8 million which matures in November 2026, the Company has entered into the extension agreement for the loan extension of three months. We note that approximately HK$18.2 million of the net proceeds, representing approximately 24.9% of the estimated net proceeds from the Rights Issue, will be utilised for the

repayment and/or early redemption of outstanding bond liabilities. We consider such repayment may reduce future finance costs, strengthen the Group's liquidity position and improve its capital structure. Accordingly, we consider such allocation of proceeds to be commercially justifiable.

We have reviewed the principal terms of the outstanding bonds, including their principal amounts, maturity dates and interest rates. Based on the repayment schedule provided by the Company, the future interest expenses that would otherwise be incurred on such outstanding bonds from the Latest Practicable Date up to their respective maturity dates are estimated to be approximately HK$1.6 million. We understand from the management that the Company intends to utilise approximately HK$18.2 million of the net proceeds from the Rights Issue to repay and/or early redeem the outstanding bonds. We have independently assessed the relevant bond terms and compared the estimated future interest expenses to be saved against the proposed application of proceeds. In our view, the repayment and/or early redemption of the outstanding bonds would reduce the Group's future finance costs, improve its gearing position and alleviate refinancing risks associated with the forthcoming maturities of the bonds. Accordingly, we consider such proposed use of proceeds to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Based on the recent consumer behavior and consumption pattern by referencing to the Company's internal records of previous point of sale data and the purchasing patterns from 2024 to 2026, the recent and last 2 quarter's inquiry rates and pre-order waitlist data, the Company realises that there is a new opportunity that is "wealth effect" of resilient domestic high-net-worth individuals and affluent inbound travellers. As macro consumer behaviors have shifted toward highly selective and identity-driven spending, the Company is going to change its products mix and mainly focusing on the high-end luxury products which have a higher profit margin while most of the inventories of the Group are just medium to high end products. According to the Company's internal records, high-end luxury products refer to Hermes iconics and other ultra-rare/limited-edition collectible pieces with the expected profit margin ranging from 20-28%. Therefore, the Company intends to scale up the operations by procuring more high-end luxury products and capturing the "wealth effect" opportunity. We noted the basis of determining the proposed inventory procurement amount of approximately HK$40.1 million. We understand that the proposed procurement plan is formulated with reference to the planned adjustment of product mix towards high-end luxury products, expected inventory turnover, anticipated customer demand and the expected recovery of the tourism and luxury retail sectors in Hong Kong. Subject to the information provided by the Company, we consider the proposed inventory procurement generally aligns with the Group's business strategy and operational requirements.

In assessing the fairness and reasonableness of the proposed inventory procurement plan, we have reviewed and discussed with the management, among others, (i) the historical sales performance of the Group by product category; (ii) the inventory turnover and inventory level of the Group; (iii) customer enquiry records and pre-order information of high-end luxury products; and (iv) publicly available market information relating to Hong Kong's tourism and luxury retail

sectors. We understand that the proposed procurement will primarily focus on high-end luxury products, including Hermes iconic products and other limited-edition collectible items, which generally command higher profit margins than the Group's existing product mix. Having considered the anticipated recovery of inbound tourism as set out on page 18 of this letter, the expected increase in luxury consumption and the Company's strategy to enhance its product mix, we consider the proposed inventory procurement plan commercially justifiable.

The Board has noted that the Group holds certain listed securities which recorded an unrealised positive fair value gain in 2025. These investments are regarded as part of a diversified portfolio and a long-term investment intended to generate additional returns and strengthen the Group's balance sheet. The Group will keep focusing on its operation as the priority and the securities investment is not intended as a substitute for the Group's operating businesses.

In summary, the listed securities portfolio is a long-term investment of the Group which has been generating satisfactory returns (a fair value gain of approximately HK$15.7 million for the year ended 31 December 2025, and a realised gain of approximately HK$10.2 million for the six months ended 30 June 2026). The portfolio consists mainly of mid-to-small cap securities with low structural trading volumes; a forced, short-term liquidation would crystallise substantial adverse price impact and permanent capital loss, and would forfeit the upside potential of the portfolio. The Rights Issue, by contrast, provides dedicated funding for operational expansion while allowing existing Shareholders to participate equitably and maintain their proportional ownership.

The Board therefore considers that proceeding with the Rights Issue, while realising the listed securities gradually in accordance with the Group's realisation policy, is in the best interests of the Company and the Shareholders as a whole. We have enquired with the management regarding whether the Group could satisfy its funding requirements through accelerated disposal of the listed securities portfolio. We understand that a substantial portion of the securities portfolio comprises mid-to-small capitalization securities with relatively low trading liquidity. Having considered the Company's shareholdings relative to the average trading volume of the underlying securities and the potential adverse price impact arising from large-scale disposals, we consider the Directors' explanation that an immediate disposal may not represent the most commercially prudent approach to be understandable.

As confirmed by the Directors, the Group's listed securities investments are regarded as part of a diversified portfolio and a long-term investment intended to generate additional returns and strengthen the Group's balance sheet. As disclosed in the "Management Discussion and Analysis" of the Company's 2025 Annual Report published on 29 April 2026 (the "**2025 Annual Report**") and the 2026 Interim Result Announcement published on 28 August 2026 (the "**2026 Interim Result Announcement**"), the Group adopted a passive investment strategy for these

investments and maintains a diversified investment portfolio to mitigate risks, with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

In accordance with HKFRS 9 "Financial Instruments", the Group's listed equity securities are held for trading and are classified as financial assets at fair value through profit or loss ("**FVTPL**") under current assets. As disclosed in Note 20 to the consolidated financial statements of the 2025 Annual Report, the carrying amounts of these financial assets are measured at fair value with reference to quoted market bid prices.

Under the Group's internal investment policy, the management regularly assesses the listed securities portfolio from time to time and prioritises the gradual realisation of profitable positions. As at 30 June 2026, the Group realised aggregate proceeds of approximately HK$15.8 million from profitable securities. Any surplus cash received from the realisation of profitable securities or from operations will be applied towards the procurement of high-end luxury inventories by changing the products mix where the existing inventories mainly comprises mid to low ended luxury inventories and/or dividend distribution to the Shareholders in accordance with the Company's dividend policy as disclosed in the 2025 Annual Report.

Factors considered in the realisation of the listed securities (mid-to-small cap listed securities)

As confirmed by the Directors, in order to balance the working capital needs of the Group (including (i) procurement of high-end inventories; (ii) addressing sudden and unexpected market fluctuations; and (iii) general working capital) against the realisation of the listed securities portfolio, the Company takes into account, among others, the following factors:

(i) the macro environment and the conditions of the Hong Kong stock market;

(ii) the outlook of the relevant industries;

(iii) the trading volume and liquidity of the relevant securities;

(iv) the upside potential of the relevant securities; and

(v) the historical and recent price movements of the relevant securities.

As the Group's portfolio consists mainly of mid-to-small cap securities, liquidity is the critical constraint. Based on recent trading data, the average monthly trading volume of the profitable securities held by the Company from January to June 2026 which ranged from approximately 67,000 shares to 1,256,000 shares, representing merely approximately 0.02% to 0.36% of the total issued share capital of the respective investee companies, whereas the Company's holdings represented more than 1% of the respective issued share capital, by

reference to the number of share held by the Company divided by the average monthly trading volume, the Company considered that the realisation of the securities should be completed in four months under the Company's best effort. Two consequences follow:

(a) Slippage on thin order books: a large market sell order would consume all available bids at the prevailing price level and then execute against progressively lower bids, resulting in a material adverse price impact and the majority of the shares being sold at an artificially depressed price, which is not in the best interests of the Company and the Shareholders as a whole; and

(b) Wide bid-ask spreads: low-liquidity securities naturally carry wide bid-ask spreads. Exiting a position in a single block forces execution at bid prices significantly below the last traded price at which the portfolio is carried, which would immediately crystallize a permanent loss– turning a liquidity risk into an immediate and permanent capital loss.

Accordingly, the realisation of such securities must be spaced out gradually and executed through patient, phased disposals rather than immediate market orders, in order to protect the portfolio value. These securities cannot be realised within a short period of time without triggering substantial adverse price impact.

Determination of the estimated fair value of the listed securities and the realisation timeline, with supporting

Accounting fair value: in accordance with HKFRS 9 and HKFRS 13 "Fair Value Measurement", the fair value of the Group's listed securities is determined with reference to quoted market bid prices in active markets (Level 1 fair value measurement), as disclosed in Note 20 and Note 38 to the consolidated financial statements of the 2025 Annual Report.

Estimated realisable value (internal target): for the purpose of its realisation policy, the Company determines the estimated realisable value of a security by reference to, among others, the return statistics of the Hang Seng Composite Mid-Cap Index and the Hang Seng Composite SmallCap Index in historical bull-market cycles (with typical returns of above 39% and above 44% respectively, and returns ranging from 100% to 300% or above for high-beta leaders/sector leaders), the security's own historical and recent price movements, trading volume and industry outlook. As the Group's securities are mainly mid-to-small caps, and based on the Company's own realisation track record, the Company considers a target return of 30% to 100% or above from the mid-to-small cap securities reasonable and achievable.

During the six months ended 30 June 2026, the Group realised aggregate proceeds of approximately HK$15.8 million from profitable securities, representing a net gain of approximately HK$6.6 million on financial assets at fair value through profit or loss, and the positions realised included securities with returns of more than 100% over their respective average costs. Key figures of 2025 and 2026 are summarised below:

Item	Approximate amount	Source
Fair value of listed securities portfolio as at 31 December 2025	HK$57.4 million	2025 Annual Report – MD&A and Note 20 to the consolidated financial statements
Fair value gain on financial assets at FVTPL for FY2025	HK$15.7 million	2025 Annual Report – MD&A
Gain on disposal of financial assets at FVTPL for FY2025	HK$1.7 million	2025 Annual Report – MD&A
Aggregate disposal proceeds from profitable securities for the six months ended 30 June 2026	HK$15.8 million	2026 Interim Result Announcement– MD&A

Realisation timeline: as explained in section headed "Factors considered in the realisation of the listed securities (mid-to-small cap listed securities)" above, given the low structural trading volumes and wide bid-ask dynamics of the mid-to-small cap securities held (average monthly trading volume of the profitable securities representing merely approximately 0.02% to 0.36% of the respective issued share capital, against the Company's holdings of more than 1%), order execution must be managed through patient, phased disposals rather than immediate market orders. Accordingly, the Company has adopted an approximately four-month realisation window for each tranche under its realisation policy. In alignment with the Group's risk management framework, the Rights Issue diversifies the Group's funding channels, thereby safeguarding capital stability even during periods when market conditions for liquidating securities are unfavorable.

Realisation plans under each scenario

As confirmed by the Directors, the Group's securities portfolios are mainly generalized into three categories, a) conservative; b) normal; c) aggressive by considering, i) the market capitalization & index inclusion; ii) the volatility; iii) the liquidity and the trading volume; iv) the dividend yield; v) the business and financial profile of the securities. As at 30 June 2026, the carrying value of the securities under conservative category is approximately HK$17.9 million; normal category is approximately HK$25.6 million; and aggressive category is approximately

HK$21.9 million. As at 30 June 2026, there are approximately 30% of the securities under conservative, 80% of the securities under normal and aggressive categories met the expected returns. The Group will adopt different realisation plans on each of the categories.

The Group's realisation plans under each of the four scenarios are as follows:

(i) Profit-making case: a) for those securities under conservative type, when the price of a security reaches or exceeds the estimated realisable value (i.e. 30% or more above the average cost); b) for those securities under normal type, when the price of a security reaches or exceeds the estimated realisable value (i.e. 50% or more above the average cost); c) for those securities under aggressive type, when the price of a security reaches or exceeds the estimated realisable value (i.e. 80% or more above the average cost), by taking reference to the track record of the realisation of securities, four-month realisation window for each tranche is achievable, the Company will use its best endeavours to realise, within approximately four months.

(ii) Loss-making case: the Company will not realise the loss-making securities for the time being, as doing so would immediately crystallize a permanent loss and forfeit the upside potential of these temporarily depressed assets, which is considered not in the best interests of the Company and the Shareholders as a whole. However, as a stop-loss discipline, if the price of a security falls by more than 15% below its average cost, the Company will realise that security within four months. In addition, if there is a material adverse change in the structural investment thesis of a security (e.g. regulatory changes by the Mainland/Hong Kong authorities, or unexpected loss of key customers of the investee company), the Company will realise that security immediately, regardless of whether the prevailing paper loss is above or below the 15% threshold. According to the historical data, the bull markets last about 2.7 to 5.7 years on average while bear markets that typically last around 9 months to 1.5 years. Therefore, for those securities which fall within 15% from its average cost for more than 2 years, the Company will realise that security within four months.

(iii) From profit-making to loss-making case: the Company will apply the policy for loss-making securities as set out in paragraph (b) above.

(iv) From loss-making to profit-making case: the Company will apply the policy for profitmaking securities as set out in paragraph (a) above.

As at the Latest Practicable Date, the Group has realised aggregate proceeds of approximately HK$20.8 million from profitable securities representing approximately 45.8% of the targeted realisation amount under the Company's realisation plan. The proceed are used in the procurement of inventories. Starting from the date of Announcement, the Group has commenced realising the profitable securities under the realisation plan. During the period from July 2026 to the Latest Practicable Date, the Group has realised aggregate proceeds of approximately HK$4.9 million under normal category and recognised a realised gain of HK$3.2 million. As advised by

the Company, the achievement of the expected return threshold does not automatically result in an immediate disposal of the relevant securities. In determining the timing and scale of any disposal, the Company also considers, among other factors, the market liquidity and trading volume of the relevant securities.

The Company adopted a gradual disposal strategy rather than disposing of all securities that had met the gain realisation criteria immediately upon achievement of the relevant return thresholds. Based on trading data up to the Latest Practicable Date, certain securities which had met the gain realisation criteria exhibited relatively low trading volumes. We reviewed the trading liquidity of the relevant unrealised securities by analysing their historical trading volumes and comparing the average daily trading volume of each security against its total number of shares in issue. We noted that the ratio of average daily trading volume to the total number of shares in issue of such securities ranged from approximately 0.00062% to 0.11565%. Such trading volumes indicate a relatively limited level of market liquidity. In light of the size of the Company's holdings in the relevant securities, we consider it reasonable for the Company not to immediately dispose of all securities that had met the gain realisation criteria and instead realise its investments in an orderly manner having regard to market liquidity and prevailing trading conditions.

As advised by the Company, disposing of a substantial portion of its holdings within a short period could have adversely affected the market prices of the relevant securities and reduced the proceeds realised from the disposals. Accordingly, notwithstanding that certain securities had met the gain realisation criteria, the Company chose to realise gains progressively, taking into account the liquidity profile of the relevant securities and the potential market impact of large-scale disposals. As a result, only part of the securities that had satisfied the gain realisation criteria were disposed of during the period, and the actual realised disposal proceeds were substantially lower than the aggregate carrying value of the securities that had met the gain realisation criteria.

In order to adopt four month realisation window for the securities which meet the expected returns, the Group will realise the profitable securities on the market and through off-market including but not limited to, a) approaching institutional brokers or investment banks to match our sell order privately with a specific buyer; b) engaging with strategic investors, private equity firms or family offices directly from directors' personal networks or brokers' network to negotiate a direct private sale. The Group considered that the four month realisation window is achievable. As at the Latest Practicable Date, no potential buyers is found.

The Group will keep realising the profitable securities on the market and off-market. The Group will keep monitoring the market status and place the sales orders on the market with reasonable adjustments to the ask price and the number of shares from time to time by referencing to the then market liquidity and the trading volume of relevant profitable securities or realise the relevant securities through off-market under the realisation plan of the Group. According to the historical realisation records in 2026 and up to the Latest Practicable Date, the

Group has successfully realised some of the profitable securities on the market and off-market in around 4 months including realisation of approximately HK$7.8 million in one single month and approximately HK$15.7 million in four months. Starting from the date of the Announcement, the Group has been actively realising the securities for the purpose of gaining the expected return of approximately HK$32.1 million (the fair value of profitable securities which meet the expected target as at the date of the Announcement). Therefore, the Group considered that the realisation of the profitable securities within four months from 7 October 2026 (being the date of the Announcement) to 6 February 2027 through placing sales orders on the market and sourcing potential buyers from off-market is achievable.

In reviewing the Group's securities portfolio realization plan, we have noted management's plan to realise its profitable securities portfolio over the four-month period following the date of the Announcement, and reviewed (i) the Group's historical disposal records, which reflect aggregate realisations of approximately HK$20.8 million up to the Latest Practicable Date; (ii) written confirmations provided by the Company's brokers regarding instructions to explore off-market block trades and private placements; (iii) the dual-channel realisation approach combining controlled on-market disposals with off-market private placements to mitigate the constraints of thin public market liquidity; and (iv) the relevant brokerage monthly statements evidencing historical disposal proceeds.

We observe that the Company has been actively executing its realisation plan through commercially recognised disposal channels, supported by its historical track record of portfolio disposals. While the timing and actual execution of future securities disposals remain subject to prevailing market conditions, trading liquidity, and buyer matching, we consider the Company's phased disposal plan to be structured through practical and commercially recognised mechanisms and is underpinned by reasonable commercial logic and is acceptable.

Having considered (i) the relatively low trading volumes and liquidity of certain securities which had met the gain realisation criteria, (ii) the Company's rationale for adopting a gradual disposal strategy to minimise potential market impact on disposals, and (iii) the fact that the gain realisation criteria do not require the Company to dispose of the relevant securities immediately upon achievement of the applicable return thresholds, we consider the Company's explanation for not immediately disposing of all securities that had met the gain realisation criteria, and the resulting actual realised disposal proceeds, to be fair and reasonable.

In assessing the implementation of the Company's gain realisation strategy, we have discussed with the management and reviewed, among others, (i) the relevant disposal records and transaction summaries of securities disposals conducted during the period up to the Latest Practicable Date; (ii) the brokerage account statements evidencing the disposals completed by the Company; (iii) a confirmation provided by the Company regarding its securities portfolio management process, including the execution of securities trading decisions, implementation of disposal strategies and ongoing daily monitoring of the securities portfolio; and (iv) a written

confirmation from the Company's broker regarding instructions received from the Company to explore and/or execute disposal opportunities, including off-exchange transactions, in respect of certain securities holdings during the relevant period.

We noted that the Company had realised aggregate disposal proceeds from profitable securities during the Relevant Period and had continued to realise securities which had met the gain realisation criteria where market conditions and liquidity considerations permitted. We further understand that the Company had instructed, and where appropriate continued to instruct, its brokers to explore disposal opportunities, including off-market transactions, in respect of certain securities holdings. We further noted that certain securities which had met the gain realisation criteria were not fully realised despite the Company's efforts to dispose of such securities. Based on our review of broker confirmations, disposal records and discussions with the management, the Company had actively explored disposal opportunities and sought to execute disposals where practicable. However, due to the relatively low trading liquidity of certain securities and the potential adverse price impact of large-scale disposals, the Company was unable to fully realise all such securities. In light of the Company's realisation strategy and disposal approach, we consider such outcome to be consistent with the Company's realisation plan. As a result, the Group had realised aggregate proceeds of approximately HK$20.8 million from profitable securities for the period from 1 January 2026 to the Latest Practicable Date. Based on our review of the disposal records and discussions with the management, we noted that the disposal activities conducted to date were generally consistent with the Company's stated gain realisation strategy and gradual disposal approach.

We have reviewed the relevant brokerage monthly statements evidencing that the Group successfully realised approximately HK$7.8 million from profitable securities within a one-month period. Taking into account such historical realisation record, the Group's realised proceeds of approximately HK$20.8 million from profitable securities up to the Latest Practicable Date, and the Group's continued efforts to dispose of profitable securities through both on-market and off-market channels, we consider that, in light of the Group's prior realisation track record and active execution approach, the Group's plan to realise the profitable securities and achieve the expected realisation proceeds of approximately HK$32.1 million during the period from 7 October 2026 (being the date of the Announcement) to 6 February 2027 is reasonable and capable of being achieved on a best-efforts basis.

Accordingly, we are satisfied that the Company has actively implemented its gain realisation strategy and taken reasonable steps to realise profitable securities having regard to prevailing market conditions, trading liquidity and the potential market impact of large-scale disposals.

The Group will update the realisation status of the securities to the shareholders periodically in interim and annual report.

Reasons for holding the listed securities

As set out in the Board Letter, the Board is of the view that a short-term liquidation of these assets as the primary funding source for core business expansion would be commercially imprudent. A premature disposal of the Group's listed equity portfolio could mean losing future upside potential or strategic synergies, might not realise full value, and could potentially reduce future income streams and diversification benefits. The reasons for holding the listed securities are as follows:

(a) Demonstrated returns: the portfolio recorded a fair value gain of approximately HK$15.7 million for FY2025 and generated a realised gain of approximately HK$10.2 million for the six months ended 30 June 2026, demonstrating its contribution to the Group's results and balance sheet;

(b) Infrastructure and civil engineering sector: municipal infrastructure expenditure on specialized civil engineering works (such as slope stabilization, landslide prevention and retaining wall reinforcement) is detached from retail economic cycles, as government spending on public safety and climate change adaptation is mandatory and contractually committed. The Group therefore considers this sector to have significant upside potential; and

(c) Closed-end investment vehicles: the share prices of such vehicles frequently trade at deep discounts to their underlying cash-and-asset backing while their net asset values increase as their managers build or turn around the underlying portfolios. These vehicles are unconstrained by single-industry operations and can shift capital into the highest-yielding macroeconomic tailwinds, providing diversified, actively managed multi-asset exposure with hard-asset backing that protects the downside. The Group therefore considers this sector to have significant upside potential.

The Company will from time to time monitor the performance of, and conduct analysis on, the securities portfolio and, as and when appropriate, make considered investment decisions. After taking into account the above factors, the Company considers that the investments in listed securities are reasonable and in the best interests of the Company and the Shareholders as a whole.

In conclusion, all funds of the Group will be used for the operation needs first, while idle funds will be used in securities investment to generate additional returns. The Rights Issue provides dedicated funding for operational expansion (rather than for existing operating costs) while allowing existing Shareholders to participate equitably and maintain their proportional ownership, and avoids the value destruction that a forced short-term liquidation of the Group's illiquid mid-to-small cap securities would entail. The Board therefore believes that proceeding with the Rights Issue, in parallel with the gradual realisation of the listed securities in accordance with the policy described above, is in the best interests of the Company and the Shareholders as a whole.

In the event if the Rights Issue is not approved by the Independent Shareholders or there is shortfall in the net proceeds raised from the Rights Issue, the Company would consider to accelerate its realisation plan of the listed securities investment in addressing the capital requirements.

Details of the significant investments and the securities portfolio are set out in the "Management Discussion and Analysis" section and the "Independent Auditor's Report" (including Note 20 to the consolidated financial statements) of the 2025 Annual Report published on 29 April 2026 and the 2026 Interim Result Announcement published on 28 August 2026.

In connection with the above, we have reviewed the financial information and carrying values of the Group's listed securities portfolio under FVTPL as set out in the 2025 Annual Report and the 2026 Interim Report and considered the alternative financing options available to the Group, including bank borrowings and debt obligations. In assessing the commercial rationale of the proposed expansion plan and the allocation for inventory procurement, we have also reviewed the industry outlook of the luxury retail sector in Hong Kong. We noted from the 2025 Annual Report that the Directors expect local consumption sentiment to improve as a result of government initiatives aimed at attracting visitors and stimulating tourism-related spending. The Directors further consider that luxury consumption may benefit from the potential narrowing of price differentials between Hong Kong and overseas markets, which may encourage the repatriation of luxury spending to Hong Kong.

We have further reviewed publicly available market information regarding Hong Kong's tourism and retail sectors. With reference to the press release issued by Hong Kong Tourism Board on 19 January 2026, we noted that Hong Kong's tourism industry has continued to recover, with total visitor arrivals reaching approximately 49.9 million in 2025, representing a year-on-year increase of approximately 12%, which is expected to support retail and consumption-related industries. According to the Census and Statistics Department, the value of retail sales increased by approximately 8.6% year-on-year in April 2026, while sales of jewellery, watches, clocks and valuable gifts, being a category closely related to discretionary and luxury consumption, recorded positive growth during 2025 and the first quarter in 2026. In particular, the sales value of jewellery, watches and clocks, and valuable gifts increased by approximately 1.9% in 2025 and further increased by approximately 27.6% on a year-on-year basis in the first quarter of 2026, reflecting improving demand for luxury products. We consider such market indicators generally support the view that consumer sentiment and luxury retail spending are poised for a gradual recovery.

Furthermore, we have discussed with the Management and understand that the proposed increase in inventory level is intended to enable the Group to broaden product offerings, improve inventory availability and enhance its ability to meet demand from both local consumers and

inbound tourists. As such, we consider it is reasonable for the Company to allocate a substantial portion of the proceeds towards inventory procurement to capture opportunities arising from the above mentioned recovery of tourism and consumption related activities in Hong Kong.

Based on our due diligence and analysis, we concur with the Directors that while the gradual realisation of listed securities provides supplementary liquidity, the Rights Issue provides a structured mechanism to raise necessary equity capital without imposing immediate debt service burdens, thereby supporting the Group's operational needs and inventory enhancement strategy in the best interests of the Company and the Shareholders as a whole.

Based on our discussion with the management of the Company, the Company has also considered alternative fundraising methods which include debt financing and equity financing alternatives such as placing of new Shares and open offer. For debt financing, the Group has approached its principal bank regarding the availability of bank loan. However, the bank has indicated that it is unlikely to grant any loan to the Group and, in fact, has not provided any verbal indication of interest in extending such facilities. Without the availability of bank financing, particularly in the absence of personal guarantees from directors, it is difficult for the Group to secure loans on favourable terms in a timely manner. As a result, debt financing is not a viable option and would, in any event, impose additional interest burden and increase the gearing ratio of the Group. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. For open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow the trading of rights entitlements in the open market.

Nevertheless, in the event that there is any shortfall in net proceeds from the Rights Issue, the Company will further evaluate the available options according to the operating conditions and may consider to conduct further fundraising exercise to finance the shortfall, as and when appropriate.

In view of the above , including (i) the funding needs of the Group and the intended use of proceeds; (ii) our assessment of the Rights Issue as compared to other fund-raising alternatives; (iii) our analysis of the Subscription Price and the reasons described in the sub-section headed "Subscription Price" under the section headed "Proposed Rights Issue" below in this letter; (iv) the potential dilution effect of the Rights Issue; and (v) the Compensatory Arrangements available to the No Action Shareholders and Excluded Shareholders, we consider that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Proposed Rights Issue

The Company proposes to raise gross proceeds of up to approximately HK$76.1 million (assuming no change in the number of Shares in issue on or before the Record Date) by issuing up to 211,387,330 Rights Shares at the Subscription Price of HK$0.36 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date. As at the Latest Practicable Date, the Company has no intention or plan to conduct other equity fund-raising activities in the next 12 months upon completion of the Rights Issue.

Details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.36 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	1,056,936,650 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective	:	211,387,330 Consolidated Shares (assuming there is no further allotment and issue or repurchase of Existing Shares up to the effective date of the Share Consolidation)
Number of Rights Shares	:	up to 211,387,330 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to HK$42,277,466 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Consolidated Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	422,774,660 Shares (assuming no change in the number of Consolidated Shares in issue on or before the Record Date and that no new Consolidated Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

Gross proceeds from the Rights Issue	:	Approximately HK$76.1 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	Approximately HK$73.1 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.346 per Rights Share (assuming full subscription under the Rights Issue and assuming no change in the number of Consolidated Shares in issue on or before the Record Date)

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

Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

Assuming no change in the number of issued Consolidated Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 211,387,330 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK$0.36 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

(i) a premium of approximately 4.3% over the closing price of HK$0.345 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date (based on the closing price of HK$0.069 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation);

(ii) a premium of approximately 9.1% over the closing price of HK$0.330 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day (based on the closing price of HK$0.066 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);

(iii) a discount of approximately 4.8% to the average of the closing prices of HK$0.378 per Consolidated Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day (based on the average closing price of HK$0.0756 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);

(iv) a discount of approximately 5.8% to the average of the closing prices of approximately HK$0.382 per Consolidated Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day (based on the average closing price of approximately HK$0.0764 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);

(v) a premium of approximately 4.3% over the theoretical ex-rights price of approximately HK$0.345 per Consolidated Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.330 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 4.0% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical diluted price of approximately HK$0.3755 per Consolidated Share and the benchmarked price of HK$0.391 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.330 per Consolidated Share and the average of the closing prices of the Consolidated Shares as quoted on the Stock Exchange for the five(5) consecutive trading days immediately prior to the Last Trading Day of HK$0.391 per Consolidated Share);

(vii) a premium of approximately 7.1% to the unaudited consolidated net asset value attributable to owners of the Company per Consolidated Share of approximately HK$0.3361 (based on the latest published unaudited consolidated net asset value attributable to owners of the Company of HK$71,050,000 as at 30 June 2026 and 211,387,330 Consolidated Shares in issue after the Share Consolidation); and

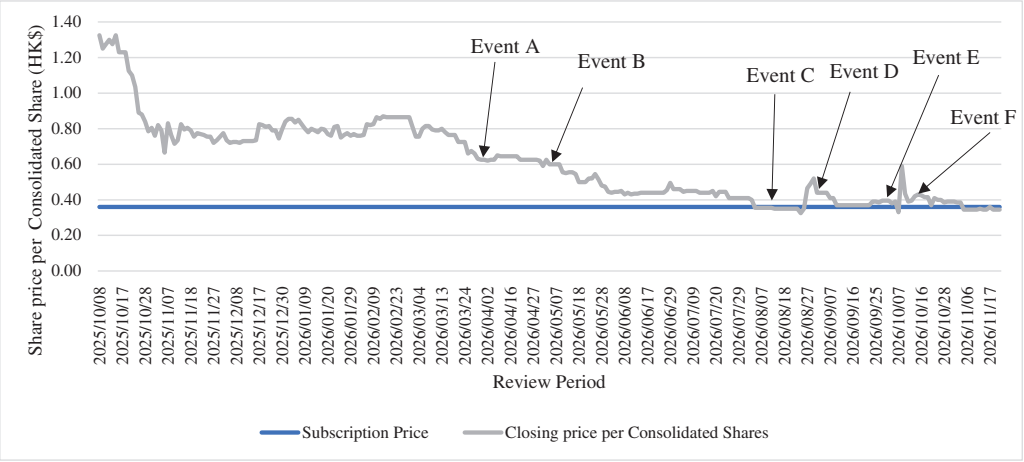
(viii) a discount of approximately 7.9% to the benchmarked price of HK$0.391 per Consolidated Share (average closing price in the five trading days immediately prior to the date of the Announcement and the closing price for the date of entering into the placing agreement).

As set out in the Board Letter, the Subscription Price was determined by the Company with reference to, among others, (i) the recent closing prices of the Shares; (ii) prevailing market conditions and financial position of the Group; and (iii) the reasons as discussed in the section headed "Reasons for and benefits of the Rights Issue and use of proceeds" in this letter. For further details, please refer to section headed "Determination of the Subscription Price" in the Board Letter.

In order to assess the fairness and reasonableness of the Subscription Price, we have taken into account (i) the closing price per Consolidated Share for period commencing from 8 October 2025 (being the twelve-month period prior to the Last Trading Day) up to and including the Latest Practicable Date (the "**Review Period**"), with a view to provide a meaningful comparison to the Subscription Price under the Rights Issue (the "**Closing Price**"); and (ii) the average daily trading volumes of the Shares for each of the months/ periods during the Review Period.

We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison that long enough to illustrate the historical trend and level of movement of the closing prices of the Shares, including but not limited to the market reaction to the announcement of the Rights Issue and the Share price movement from the date of the Announcement to the Latest Practicable Date as (i) the length of the period represents a reasonable period to reflect the performance of the closing price of the Consolidated Shares in response to the prevailing market condition and operating condition; (ii) a shorter review period can only demonstrate the Consolidated Share price performance in a limited and specific time which may be distorted by specific events; and (iii) it is commonly used for analysis purposes. The chart below illustrates the closing price per Consolidated Share versus the Subscription Price of HK$0.36 per Consolidated Share:

Chart 1: Historical closing prices of the Consolidated Shares during the Review Period



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

Notes:

Event A – Publication of positive profit alert announcement on 25 March 2026
Event B – Publication of 2025 Annual Report on 29 April 2026
Event C – Publication of discloseable transaction announcement in relation to disposal of listed securities on 10 August 2026
Event D – Publication of 2026 Interim Results announcement on 28 August 2026
Event E – Publication of 2026 Interim Report on 29 September 2026
Event F – Publication of the Announcement on 7 October 2026

During the Review Period, the Consolidated Shares traded between a range of HK$0.325 on 25 August 2026 and HK$1.325 on 8 October 2025 and 15 October 2025, with an average closing price per Consolidated Share of approximately HK$0.610. The Subscription Price of HK$0.36 per Consolidated Share represents (i) a premium of approximately 10.77% to the lowest closing price per Consolidated Share (i.e. HK$0.325); (ii) a discount of approximately 72.83% to the highest closing price per Consolidated Share (i.e. HK$1.325); and (iii) a discount of approximately 40.96% to the average closing price per Consolidated Share (i.e. HK$0.610) during the Review Period.

At the beginning of the Review Period, the closing price reached its peak of approximately HK$1.325 on 8 October 2025 and 15 October 2025. During this period, the Consolidated Share price experienced sharp upward volatility before trending downward through late October 2025, closing at approximately HK$0.665 by early November 2025. Throughout this initial surge and adjustment, the closing price remained comfortably above the Subscription Price of HK$0.36. From early November 2025 to mid-March 2026, the closing price generally stabilized and traded within a relatively narrow range of

approximately HK$0.715 to HK$0.870. Amid broader market consolidation and operational stability, investor sentiment remained steady, allowing the Consolidated Shares to maintain a stable trading band well above the Subscription Price.

During mid-March 2026 to early August 2026, the closing price experienced a pronounced downward trend during this phase, declining from approximately HK$0.765 down to a low of HK$0.355 by early August 2026. We noted that the Company published its positive profit alert and 2025 Annual Report during March and April 2026. However, no significant sustained upward movement in the Consolidated Share price was observed around the publication of these announcements, and the closing price continued its downward trajectory as market pressures and lower liquidity took effect. In early August 2026, the closing price fluctuated within a lower band of HK$0.325 to HK$0.520, reaching its period low of HK$0.325 on 25 August 2026. We further noted that the Company published discloseable transaction announcement in relation to disposal of listed securities on 10 August 2026 and published 2026 Interim Report on 29 September 2026. Following the publication of the announcements, the closing price continued its downward trend and fluctuated within a narrow range of approximately HK$0.38 to HK$0.395 during the first three trading days in early October, but the closing price has experienced a sudden drop right on the Last Trading Day and reached HK$0.33, which sits slightly below the Subscription Price of HK$0.36.

Following the publication of the Announcement, the closing price surged to HK$0.59 on the following trading day and then retreated and fluctuated within a narrow range. After closing at HK$0.330 on the Last Trading Day, the closing price recovered and traded within a range of approximately HK$0.345 to HK$0.590 up to and including the Latest Practicable Date.

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

We further noted that, during the Review Period, the closing price per Consolidated Share was above the Subscription Price of HK$0.36 on 248 out of 277 trading days, representing approximately 89.5% of the trading days during the Review Period, whilst the closing price per Consolidated Share was below the Subscription Price on 28 out of 277 trading days, representing approximately 10.1% of the trading days during the Review Period and the closing price per Consolidated Share was the same as the Subscription Price on 1 out of 277 trading days, representing approximately 0.4% of the trading days during the Review Period. Although the Subscription Price represented a premium of approximately 9.1% over the closing price of HK$0.33 per Consolidated Share on the Last Trading Day, we noted that the closing price per Consolidated Share recovered following

the publication of the Announcement and remained above the Subscription Price throughout the period from the first trading day after the Last Trading Day up to and including the Latest Practicable Date. As such, the premium over the Last Trading Day closing price should be viewed in the context of the temporary decline in the closing price on the Last Trading Day and does not necessarily indicate that the Subscription Price was set at a premium to the prevailing market price generally.

Although the Subscription Price is at a discount to the average closing price per Consolidated Share during the Review period and was below the prevailing market price for the majority of the trading days during the Review Period, taking into consideration that (i) the Subscription Price is within the range of historical closing prices per Consolidated Share during the Review Period (being slightly above the lowest closing price of HK$0.325 but below the average closing price of HK$0.610); (ii) the low liquidity of the Shares as discussed in sub-section headed "Liquidity of the Shares" below in this letter; (iii) the funding needs of the Group as discussed in the section headed "Reasons for and benefits of the Rights Issue and the use of proceeds" above in this letter; (iv) it is a common market practice for listed issuers in Hong Kong to set the subscription price of rights issues at a discount to the prevailing market prices in order to encourage shareholders' participation and enhance the likelihood of a successful fund-raising exercise that the Subscription Price falls within the range in the comparable analysis as discussed in the sub-section headed "Comparison with other rights issue transactions" below in this letter; (v) notwithstanding that the Subscription Price was below the closing price per Consolidated Share on 248 out of 277 trading days during the Review Period, representing approximately 89.5% of the trading days during the Review Period, Qualifying Shareholders are offered an opportunity to subscribe for the Rights Shares in proportion to their existing shareholdings and thereby maintain their percentage interests in the Company; and (vi) the latest business performance and financial position as discussed in the sub-section headed "Business and financial information of the Group" above in this letter, we consider that the pricing of the Subscription Price is fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Liquidity of the Shares

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

	Month/Period	Total trading volume of the Shares in the month/period	Number of trading days in the month/period	Average daily volume of the Shares in the month/period	Percentage of average daily trading volume to total number of Shares *(Note 2)*
2025	October *(Note 3)*	45,533,250	17	2,678,426	0.2534%
	November	53,421,500	20	2,671,075	0.2527%
	December	9,215,515	21	438,834	0.0415%
2026	January	14,815,710	21	705,510	0.0668%
	February	10,325,504	17	607,383	0.0575%
	March	7,237,500	22	328,977	0.0311%
	April	1,200,500	19	63,184	0.0060%
	May	4,101,500	19	215,868	0.0204%
	June	1,117,500	21	53,214	0.0050%
	July	580,000	22	26,364	0.0025%
	August	5,999,000	21	285,667	0.0270%
	September	2,444,000	22	111,091	0.0105%
	October	76,190,000	20	3,809,500	0.3604%
	November *(Note 4)*	4,166,750	15	277,783	0.0263%

Source: The website of Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.

2. Calculated based on the total number of Shares in issue at the end of each month/period.

3. Represents trading volume for the period from 8 October 2025, being one year prior to the Last Trading Day, to the 31 October 2025, both days inclusive.

4. Represents trading volume for the period from 2 November 2026 to 19 November 2026, the Latest Practicable Date, both days inclusive.

As illustrated in the above table, we noted that the average daily trading volume of the Shares ranged from 26,364 to 3,809,500 Shares during the Review Period, representing approximately 0.0025% to 0.3604% of a total of 1,056,936,650 Shares in issued as at the respective month or period with an average on the percentage of average daily trading volume throughout the whole Review Period of approximately 0.0829% of the total number of issued Shares as at the respective month or period. We noted that the highest daily trading volume during the Review Period was recorded on 8 October 2026, when approximately 38,638,000 Shares were traded. We further noted that such trading day immediately followed the publication of the Announcement. However, save for the Announcement, we did not identify any specific reasons for the aforementioned trading liquidity based on our review of the Company's announcements. As discussed with the management of the Company, they were not aware of any particular reason that contributed to the increase in trading liquidity other than the publication of the Announcement.

Based on the above results, we considered that the trading liquidity of the Shares during the Review Period was thin that the average daily trading volume of the Shares during the Review Period was below 1% of the total number of issued shares, we consider that the Company is unlikely to be able to raise equity funds from third parties without a discount on the prevailing Share prices. In light of the above, we consider that conducting a fundraising exercise by way of Rights Issue with the Subscription Price set appropriately against the market benchmarks is reasonable and designed to promote the attractiveness of the Rights Issue to existing shareholders.

Comparison with other rights issue transactions

In order to assess the fairness and reasonableness of the Subscription Price, we exhaustively conducted a search of recent proposed rights issue transactions announced by companies listed on the Stock Exchange during the period from three months prior to the Last Trading Day and up to and including the Latest Practicable Date (the "**Comparison Period**") to understand the trend of the recent market practice. We consider that the Comparison Period is appropriate, fair and representative because (i) the comparables are considered for the purpose of taking a general reference for the recent market practice in

relation to the rights issue exercise in the recent market conditions; and (ii) sufficient number of comparables were identified during the Comparison Period. Based on our research, we have identified an exhaustive list of 39 rights issue comparables (the "**Comparables**") during the Comparison Period.

We have also considered the type of issuance adopted by the Comparables, including the underwriting arrangement, excess application arrangement and compensatory arrangement. While such features may affect investor participation and certainty of fund raising, they are common market practice and do not materially alter the comparability of pricing levels. Accordingly, although differences in issuance structure were taken into account, our analysis primarily focused on pricing-related metrics, including the subscription price relative to the prevailing market price, net asset value and theoretical dilution effect, which we consider to be the more relevant benchmarks in assessing the fairness and reasonableness of the Subscription Price. We also noted that the business activities and the terms of the rights issue of the Comparables may not be directly comparable to the business activities carried out and the terms of the rights issue announced by the Group due to the differences in business activities and performances. Although the Comparables included rights issue on different basis of entitlement, and involved issuers which engaged in different business or with different financial performance and funding needs from the Company, we consider that the Comparables are suitable to serve as general reference for the purpose of an assessment on the Subscription Price, as (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly concerned with the comparison of subscription price to closing price, net asset value ("**NAV**"), maximum dilution on the shareholding and theoretical dilution effect; (iii) a three-month period for the selection of the Comparables has resulted in the generation of a reasonable sample size; and (iv) the Comparables were included without any artificial selection or filtering on our part. Since there are a sufficient number of Comparables under the selection criteria mentioned above, we are of the view that they represented a true and fair view and representative samples of the recent market trends for rights issue and are sufficient for assessing the fairness and reasonableness of the Rights Issue.

Date of announcement	Company name	Stock code	Basis of entitlement	Maximum dilution on the shareholding (*Note 2*)	Premium/(discount) of the subscription price per rights issue over/to closing price per share on the last trading day prior to announcement of rights issue	Premium/(discount) of the subscription price per rights issue over/to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue	Premium/(discount) of subscription price per rights issue share over/to NAV per share (*Note 3*)	Theoretical dilution effect (*Note 4*)	Excess application (*Note 5*)	Placing commission (*Note 6*)	Minimum placing commission	Underwriting arrangement	Underwriting fee
				%	*%*	*%*	*%*	*%*	*Yes/No*	*%*	*HK$*		*%*
9 July 2026	Hong Kong Entertainment International Holdings Limited	8291	3 for 1	75.00	(4.76)	(4.76)	N/A	(3.57)	No	3.00	No	Non-underwritten	N/A
10 July 2026	Queen Holdings Limited	8121	4 for 1	80.00	(24.21)	(27.27)	(72.52)	(22.40)	No	4.00	No	Non-underwritten	N/A
13 July 2026	KPM Holding Limited	8027	2 for 1	66.67	(13.80)	(16.40)	(65.50)	(11.10)	No	3.00	No	Non-underwritten	N/A
14 July 2026	Capital Industrial Financial Services Group Limited	730	1 for 1	50.00	0.81	(1.26)	(65.82)	(1.10)	No	2.00	No	Non-underwritten	N/A
15 July 2026	Flowing Cloud Technology Ltd	6610	4 for 1	80.00	(24.05)	(24.24)	(93.66)	(19.39)	No	1.00	2,000,000	Non-underwritten	N/A
16 July 2026	PINE Technology Holdings Limited (Note 7)	1079	1 for 2	33.33	(41.18)	(42.31)	141.16	(14.32)	Yes	N/A	No	Non-underwritten	N/A
17 July 2026	Universal Health International Group Holding Limited	2211	4 for 1	80.00	(4.76)	(7.19)	(88.83)	(5.75)	No	3.00	3,500,000 (*Note 8*)	Non-underwritten	N/A
24 July 2026	Yuk Wing Group Holding Limited	1536	3 for 1	75.00	(27.01)	(28.06)	(68.45)	(21.99)	No	1.00	No	Non-underwritten	N/A
29 July 2026	Easyhold Group Holdings Limited (Note 7)	1703	1 for 1	50.00	(48.98)	(47.03)	204.56	(24.49)	No	1.50	No	Non-underwritten	N/A
29 July 2026	Zhejiang United Investment Holdings Group Limited	8366	1 for 1	50.00	(14.29)	(14.29)	N/A	(7.14)	No	2.00	100,000	Non-fully underwritten	3.00
3 August 2026	Zhengwei Group Holdings Company Limited	2147	6 for 1	85.71	(28.57)	(28.57)	(92.87)	(24.49)	No	1.50	No	Non-underwritten	N/A
12 August 2026	Alpha Professional Holdings Limited (Note 7)	948	1 for 1	50.00	(19.68)	(10.71)	203.03	(9.64)	Yes	N/A	No	Non-underwritten	N/A
14 August 2026	Palinda Group Holdings Limited	8179	1 for 2	33.33	(50.00)	(50.00)	(97.20)	(16.67)	No	1.50	15,000 (*Note 9*)	Non-underwritten	N/A
14 August 2026	Asia-Pac Financial Investment Company Limited	8193	2 for 1	66.67	20.50	22.00	(54.30)	0.00	No	3.00	No	Non-underwritten	N/A
17 August 2026	AI Energy Engineering Holdings Limited (Note 7)	1751	2 for 5	28.57	(7.80)	(8.32)	150.00	(2.71)	No	3.00	250,000	Non-underwritten	N/A

Date of announcement	Company name	Stock code	Basis of entitlement	Maximum dilution on the shareholding *(Note 2)*	Premium/(discount) of the subscription price per rights issue over/to closing price per share on the last trading day prior to announcement of rights issue	Premium/(discount) of the subscription price per rights issue over/to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue	Premium/(discount) of subscription price per rights issue share over/to NAV per share *(Note 3)*	Theoretical dilution effect *(Note 4)*	Excess application *(Note 5)*	Placing commission *(Note 6)*	Minimum placing commission	Underwriting arrangement	Underwriting fee
				%	%	%	%	%	Yes/No	%	*HK$*		%
27 August 2026	Litian Pictures Holdings Limited	9958	4 for 1	80.00	(22.13)	(22.76)	N/A	(18.21)	No	1.00	No	Non-underwritten	N/A
27 August 2026	Hong Kong Robotics Group Holding Limited	370	1 for 2	33.33	(22.20)	(19.50)	(4.50)	(7.41)	Yes	N/A	No	Fully underwritten	7.07
1 September 2026	China Environmental Technology Holdings Limited	646	6 for 1	85.71	(21.61)	(21.34)	N/A	(18.52)	No	3.00	No	Non-underwritten	N/A
4 September 2026	Reach New Holdings Limited	8471	3 for 1	75.00	(25.90)	(27.30)	(69.20)	(20.50)	No	1.40	No	Non-underwritten	N/A
7 September 2026	Long Investment Corp	2312	1 for 2	33.33	0.00	1.28	31.67	0.00	Yes	N/A	No	Non-underwritten	N/A
10 September 2026	Moon Inc.	1723	1 for 2	33.33	(39.77)	(39.64)	(61.34)	(13.26)	No	2.00	No	Non-underwritten	N/A
16 September 2026	Bright Future Technology Holdings Limited	1351	3 for 1	75.00	(28.99)	(27.01)	(29.25)	(21.75)	No	0.50	No	Non-underwritten	N/A
22 September 2026	Grand Ocean Advanced Resources Company Limited	65	7 for 1	87.50	9.80	7.69	(32.04)	0.00	No	1.00	No	Non-underwritten	N/A
29 September 2026	Green Power Group Limited	1870	1 for 4	20.00	(40.52)	(37.56)	17.95	(8.19)	Yes	N/A	No	Fully underwritten	7.07
30 September 2026	Plateau Treasures Limited	8402	1 for 2	33.33	(53.70)	(48.98)	(22.00)	(17.87)	No	4.50	No	Non-underwritten	N/A
2 October 2026	Artgo Holdings Limited	3313	3 for 1	75.00	(32.39)	(32.68)	(88.62)	(24.51)	No	1.50	No	Non-underwritten	N/A
7 October 2026	Lai Group Holding Company Limited	8455	2 for 1	66.67	(29.20)	(30.30)	N/A	(20.30)	No	2.00	No	Non-fully underwritten	N/A
12 October 2026	Asiasec Properties Limited	271	1 for 1	50.00	(12.23)	(11.47)	(89.25)	(6.12)	Yes	N/A	No	Non-underwritten	N/A
14 October 2026	Jiading International Group Holdings Limited	8153	3 for 1	75.00	(21.05)	(19.79)	(69.38)	(15.79)	No	N/A	250,000 *(Note 10)*	Non-underwritten	N/A
16 October 2026	Golden Power Group Holdings Limited	3919	1 for 2	33.33	(14.30)	(15.30)	(90.80)	(5.20)	No	3.00	No	Non-underwritten	N/A

Date of announcement	Company name	Stock code	Basis of entitlement	Maximum dilution on the shareholding *(Note 2)* %	Premium/(discount) of the subscription price per rights issue share over/to closing price per share on the last trading day prior to announcement of rights issue %	Premium/(discount) of the subscription price per rights issue share over/to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue %	Premium/(discount) of subscription price per rights issue share over/to NAV per share *(Note 3)* %	Theoretical dilution effect *(Note 4)* %	Excess application *(Note 5)* Yes/No	Placing commission *(Note 6)* %	Minimum placing commission HK$	Underwriting arrangement	Underwriting fee %
16 October 2026	Coolpad Group Limited	2369	1 for 2	33.33	(32.58)	(37.24)	(92.92)	(12.80)	No	2.50	No	Non-underwritten	N/A
22 October 2026	FAR International Holdings Group Company Limited	2516	2 for 5	28.57	(66.67)	(67.59)	(79.36)	(19.42)	No	1.50	No	Non-underwritten	N/A
26 October 2026	Satu Holdings Limited	8392	1 for 1	50.00	(36.67)	(40.63)	(1.04)	(21.93)	No	2.20	No	Non-underwritten	N/A
27 October 2026	IRC Limited	1029	1 for 2	33.33	(16.00)	(14.86)	(65.76)	(5.33)	No	1.25 *(Note 11)*	100,000	Non-fully underwritten	N/A
2 November 2026	C&N Holdings Limited	8430	5 for 1	83.30	(26.47)	(21.80)	(84.81)	(22.10)	No	1.50	No	Non-underwritten	N/A
3 November 2026	Ju Fu Tang Biotech Holdings Co., Ltd	8217	3 for 1	75.00	(28.89)	(27.60)	(61.77)	(21.67)	No	3.00	No	Non-underwritten	N/A
3 November 2026	Hao Wen Holdings Limited	8019	3 for 1	75.00	(10.20)	(11.80)	(93.62)	(10.05)	No	3.00	No	Non-underwritten	N/A
4 November 2026	Jolimark Holdings Limited (Note 7)	2028	1 for 2	33.33	(52.68)	(57.65)	1,139.67	(19.88)	No	2.00	No	Non-underwritten	N/A
6 November 2026	LIT Life Holdings Limited	8079	3 for 1	75.00	(18.52)	(24.66)	(67.44)	(19.82)	No	1.00	No	Non-underwritten	N/A
11 November 2026	Tian Cheng Holdings Limited	2110	3 for 1	75.00	(29.31)	(28.55)	384.30	(21.99)	No	3.50	No	Non-fully underwritten	3.5
12 November 2026	Golden Wheel Tiandi Holdings Company Limited	1232	1 for 3	25.00	0.00	0.80	(95.70)	0.00	Yes	N/A	No	Non-underwritten	N/A
12 November 2026	China Frontier Technology Group	1661	1 for 1	50.00	(27.80)	(25.90)	(41.70)	(13.90)	No	N/A	400,000 *(Note 12)*	Non-underwritten	N/A
13 November 2026	Sheung Yue Group Holdings Limited	1633	1 for 2	33.33	(70.59)	(70.59)	(54.40)	(23.53)	No	1.00 *(Note 13)*	100,000 *(Note 13)*	Non-underwritten	N/A
15 November 2026	New World Development Company Limited	17	11 for 1	91.70	(81.50)	(82.20)	(98.50)	(75.30) *(Note 14)*	No	1.00	No	Fully underwritten	4.0 *(Note 15)*
	Maximum			91.70	20.50	22.00	1,139.67	0.00		4.50	2,000,000		7.07
	Minimum			20.00	(81.50)	(82.20)	(98.50)	(75.50)		0.50	15,000		3.00
	Average			57.33	(25.91)	(25.99)	4.61	(15.23)		2.08	401,875		4.93
	Median			58.33	(25.06)	(25.28)	(65.76)	(16.23)		2.00	175,000		4.00
	Maximum (exclude the outliers)			87.50	20.50	22.00	31.67	0.00		4.50	3,500,000		7.07
	Minimum (exclude the outliers)			20.00	(70.59)	(70.59)	(97.20)	(24.51)		0.50	15,000		3.00
	Average (exclude the outliers)			58.40	(23.21)	(23.42)	(60.76)	(13.56)		2.06	808,125		5.71
	Median (exclude outliers)			66.67	(24.05)	(24.24)	(67.95)	(15.79)		2.00	175,000		7.07
	Company	**1150**	**1 for 1**	**50.00**	**9.10**	**(4.80)**	**7.10**	**(4.00)**	**No**	**3.00**	**No**	**Non-underwritten**	**N/A**

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

Notes:

1. Information shown in the above table has been extracted from the relevant announcements or circulars of the rights issue of the respective Comparables, where applicable.

2. The potential maximum dilution effect of each rights issue is calculated as number of rights shares issued or to be issued under the basis of entitlement divided by the total number of shares as enlarged by the rights issue according to their respective basis of entitlements and assuming all rights shares have been/will be allotted and issued times 100%.

3. The NAV per share is calculated based on the latest published net asset value of the subject company and total number of shares in issue as at the date to which such net asset value relates. "N/A" denotes that the NAV of the relevant Rights Issue Comparable that has net liabilities according to its latest published audited/unaudited consolidated financial statements.

4. The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Listing Rules or Rule 10.44A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rule**"), or extracted from announcement, circular or prospectus in respect of the relevant rights issue.

5. Pursuant to Rule 7.21(1) of the Listing Rule or Rule 10.31(1) of the GEM Listing Rule.

6. "N/A" denotes that no percentage-based placing commission was disclosed/applicable under the relevant rights issue.

7. PINE Technology Holdings Limited (stock code: 1079), Easyhold Group Holdings Limited (stock code: 1703), Alpha Professional Holdings Limited (stock code: 948), AI Energy Engineering Holdings Limited (stock code: 1751), Jolimark Holdings Limited (stock code: 2028), Tian Cheng Holdings Limited (stock code: 2110) are considered as outliers due to the significant premium of subscription price per rights issue share over the net asset value per share. For the purpose of this analysis, premiums in excess of 100% were considered significant, as the subscription price exceeds more than twice the relevant net asset value per share. We also performed a quartile analysis on the premiums/(discounts) of subscription price per rights issue share over NAV per share and observed that the five Comparables with premiums ranging from approximately 141.16% to 1,139.67% were substantially separated from the remainder of the sample. In particular, the highest premium amongst the remaining Comparables was only approximately 31.67%. Accordingly, the IFA considered such observations to be exceptional and not representative of the overall sample.

8. Pursuant to the announcement issued by Universal Health International Group Holding Limited (stock code: 2211) on 17 July 2026 in relation to its proposed rights issue, the company shall pay to the placing agent a placing commission of 3% of the amount which is equal to the placing price multiplied by the unsubscribed rights Shares and ES unsold rights shares that have been successfully placed by the placing agent, subject to a maximum placing commission of HK$3,500,000.

9. Pursuant to announcement issued by Palinda Group Holdings Limited (stock code: 8179) on 14 August 2026 in relation to its proposed rights issue, the Company shall pay to the placing agent a fee of HK$15,000 within three Business Days upon execution of the placing agreement.

10. Pursuant to announcement issued by Jiading International Group Holdings Limited (stock code: 8153) on 14 October 2026 in relation to its proposed rights issue, the Company shall pay to the Placing Agent a placing commission in the fixed sum of HK$250,000 subject to completion of the placing.

11. Pursuant to announcement issued by IRC Limited (stock code: 1029) on 27 October 2026 in relation to its proposed rights issue, the Company shall pay to the Placing Agent a placing commission of HK$100,000 or 1.25% of the gross placing proceeds, whichever is higher.

12. Pursuant to announcement issued by China Frontier Technology Group (stock code: 1661) on 12 November 2026 in relation to its proposed rights issue, the Company shall pay to the Placing Agent a placing commission of (i) HK$880,000 in the event that the placing proceeds successfully raised exceed HK$8.0 million, or (ii) HK$400,000 in the event that the placing proceeds successfully raised are not more than HK$8.0 million.

13. Pursuant to announcement issued by Sheung Yue Group Holdings Limited (stock code: 1633) on 13 November 2026 in relation to its proposed rights issue, the Company shall pay a placing commission in Hong Kong dollars, of (i) 1.0% of the amount (the "Placing Commission") which is equal to the placing price multiplied by the number of the Unsubscribed Shares and the NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, or (ii) a fixed fee of HK$100,000 (whichever is higher), pursuant to the terms of the Placing Agreement.

14. New World Development Company Limited (stock code: 17) is considered as outlier due to non-compliance of Note 2 to Rule 7.27B of the Listing Rules.

15. Pursuant to announcement issued by New World Development Company Limited (stock code: 17) on 15 November 2026, subject to completion of the rights issue, the company shall pay to the Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") an underwriting commission in an amount which is 4.0% of the multiple of the subscription price and the number of underwritten shares, out of which HSBC shall pay the controlling shareholder an amount equal to 4.0% of the multiple of the subscription price and the number of underwritten shares comprising its commitment; and subject to the allocation among the independent underwriters, to DBS Asia Capital Limited an amount equal to 3.5% of the multiple of the subscription price and the number of underwritten shares comprising its commitment, and the remainder shall be retained by HSBC for its own account.

According to our research, we observed that (i) 32 of the 37 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the prevailing closing price of their shares on the last trading day in relation to their respective rights issue (the "**LTD Price**"); (ii) 33 of the 37 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day (the "**5-Day Discount Price**"); and (iii) 30 of the 37 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the NAV per share. It indicates that it is common for listed companies to set the subscription price of rights issue at a discount to the LTD Price, 5-Day Discount Price and the NAV per share, with the view to encourage participation.

The subscription price to the LTD Price of the Comparables (exclude the outliers) ranged from a discount of approximately 70.59% to a premium of approximately 20.50% with average and median discounts of approximately 23.21% and 24.05% respectively. The premium of approximately 9.10% over the Subscription Price to the LTD Price of the Company falls within the range of those of the Comparables (exclude the outliers) and is higher than the average and the median of the Comparables (exclude the outliers).

The subscription price to the 5-Day Discount Price ranged from a discount of approximately 70.59% to a premium of approximately 22.00% with average and median discounts of approximately 23.42% and 24.24% respectively. The discount of approximately 4.80% of the Subscription Price to the 5-Day Discount Price of the Company falls within the range of those of the Comparables (exclude the outliers) and is lower than the average and the median of the Comparables (exclude the outliers).

The subscription prices to the NAV per share of the Comparables (exclude the outliers) ranged from a discount of approximately 97.20% to a premium of approximately 31.67% with average and median discount of approximately 60.76% and 67.95% respectively. The premium of approximately 7.10% of the Subscription Price over the NAV per share of the Company falls within the range of those of the Comparables (exclude the outliers) and is higher than the average and median of the Comparables (exclude the outliers). However, having considered that during the Review Period, (i) the closing price of the Consolidated Shares ranged between HK$0.325 to HK$1.325 per Consolidated Share and the Consolidated Shares traded at a premium over the NAV per Consolidated Share (i.e. approximately HK$0.3361 as at 30 June 2026) on 275 out of 277 trading days, representing approximately 99.28% of the Review Period; and (ii) the liquidity of the Shares is thin during the Review Period, the premium of the Subscription Price over the NAV per Share of the Company is fair and reasonable.

The theoretical dilution effect of the rights issue conducted by the Comparables (exclude the outliers) ranged from approximately 0.00% to approximately 24.51% with average and median theoretical dilution effect of approximately 13.56% and approximately 15.79% respectively. The theoretical dilution effect of the Rights Issue of approximately 4.00% falls within the range of the Comparables (exclude the outliers) and is lower than the average and the median of the Comparables (exclude the outliers).

Taking into account that (i) the Subscription Price was below the closing price per Consolidated Share on 248 out of 277 trading days during the Review Period, representing approximately 89.5% of the trading days under review, indicating that the Subscription Price was generally set at a discount to the prevailing market price across the year; (ii) while the closing price experienced a sharp single-day adjustment down to HK$0.330 on the Last Trading Day (representing a modest premium of approximately 9.1%), the Subscription Price represents a discount of approximately 4.8% to the 5-Day Discount Price of HK$0.378 and approximately 5.8% to the 10-day average closing price of HK$0.382;

(iii) the pricing metrics and theoretical dilution effect of the Rights Issue fall well within the discount and premium ranges of the Comparables, remaining higher than the average and median of the Comparables; (iv) during the Review Period, the Company's average daily trading volume (i.e., approximately 876,634 Shares, representing merely 0.083% of the total issued share capital) demonstrated persistent low liquidity and limited public secondary market depth; and (v) the Subscription Price sits appropriately within historical trading bands rather than an extreme outlier, we concur with the view of the Directors and consider it commercially reasonable and appropriate to set the Subscription Price with reference to the prevailing multi-day market averages and historical price performance as illustrated above. This structure balances the capital-raising needs of the Group while maintaining reasonable terms to enhance the attractiveness of the Rights Issue and motivate Qualifying Shareholders and investors to participate.

As shown in the table of the Comparables above, it is common for listed issuers in Hong Kong to issue rights shares with pricing structured relative to prevailing market benchmarks in order to enhance the attractiveness of the Rights Issue. Given that all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares by way of provisional allotment and are offered the same discounts of the Subscription Price to the closing price of the Share and the same potential maximum dilution, we are of the view that the Subscription Price (together with its dilution effect) is fair and reasonable so far as the Independent Shareholders are concerned, and also in alignment with the market practice. As such, we concur with the view of the Directors that it is commercially reasonable to set the Subscription Price with appropriate reference to the prevailing multi-day market averages and historical price performance under the prevailing market conditions and economic sentiment, having regard to: (i) the recent market performance of the Shares, particularly the Company's average trading volume as illustrated above, which indicates a persistent lack of liquidity and secondary market demand for the Shares; (ii) the fact that the Subscription Price compares reasonably against recent trading benchmarks while remaining within the acceptable discount/premium ranges observed in comparable market transactions; and (iii) the Group's ongoing funding requirements and financial position as discussed in this letter.

Among the Comparables, we noted that 30 out of 37 Comparables (exclude the outliers) exercise placing in their rights issues. As such, we consider that it is reasonable for rights issue to have placing arrangements.

The Placing Agreement

Principal terms of the Placing Agreement entered into on 7 October 2026, which is supplemented by another agreement dated 24 November 2026 are summarised as follows:

Date	:	7 October 2026 (after trading hours), which is supplemented by another agreement dated 24 November 2026
Issuer	:	the Company
Placing Agent	:	Suncorp Securities Limited, a corporation licensed to engage in Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Commission and expenses	:	3% of the aggregate placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be):	:	The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be) shall be not le"ss than the Subscription Price. The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares.

Placees	:	The Placing Agent undertakes to use its best endeavours to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; (ii) Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue; and (iii) ensure that the relevant Rights Shares including Unsubscribed Rights Shares and the ES Unsold Rights Shares are placed to Independent Third Parties.

For further details, please refer to section headed "Placing Agreement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares" in the Board Letter. As stated in the Board Letter, the Placing Agent confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate of the rights issue exercises conducted by companies listed on the Stock Exchange for a three-month period prior to the Last Trading Day and we consider the Placing Agreement to be on normal commercial terms. We concur with the view of the Directors that the Placing Agreement will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We note that the commission charged by placing agent of 29 rights issue exercises generally ranged between 0.50% to 4.50%, with an average of approximately 2.06% and a median of 2.00%. We noted that the commission rate of 3.00% charged by the Placing Agent falls within the range of the Comparables (exclude the outliers) and higher than the average and median of the Comparables (exclude the outliers). Following our discussions with the Directors, we have concluded that establishing the placing commission at this level is essential for motivating the Placing Agent to attract investors for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. We noted that the Rights Issue is conducted on a non-underwritten basis and the Placing Agent is only entitled to receive commission on the actual amount of Unsubscribed Rights Shares and ES Unsold Rights Shares successfully placed. Given that the Placing Agent is required to procure independent placees on a best-effort basis without any underwriting commitment, we consider it commercially reasonable for the Company to offer a placing commission at a level sufficient to incentivise the Placing Agent to devote resources to the placement process. Taking into account that (i) the commission rate falls within the market range of the Comparables; (ii) the Rights Issue is non-underwritten and therefore involves greater

placement uncertainty than fully underwritten rights issues; and (iii) the commission is payable only in respect of Rights Shares successfully placed, we consider the placing commission of 3.00% to be fair and reasonable and on normal commercial terms. As such, we concur with the view of the Directors that the commission rate charged by the Placing Agent under the Placing is fair and reasonable and on normal commercial terms.

As explained in the Board Letter, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

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

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

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

Potential dilution effect

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 acceptance of the provisionally allotted Rights Shares. In the event of an undersubscription of the Rights Issue, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed on a best effort basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. The changes in shareholding structure of the Company arising from completion of the Rights Issue are set out in the section headed "CHANGES IN SHAREHOLDING STRUCTURE" in the Board Letter.

Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent, the shareholding interests of the Qualifying Shareholders will be diluted by up to a maximum of 50.00%, which fall within the range of the Comparables.

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

Financial effects of the Rights Issue

Net tangible assets

In light of the above, we are of the view that the overall financial impact to the Group upon completion of the Rights Issue is in the interest of the Company and the Shareholders. According to the "UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP" set out in the Appendix II to the Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company was approximately HK$71.1 million as at 30 June 2026, while the unaudited consolidated net tangible assets per Existing Share before completion of the Share Consolidation and the Rights Issue was approximately HK$0.0672; upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately HK$144.1 million, while the unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share immediately after completion of the Share Consolidation and the Rights Issue was approximately HK$0.3410.

Gearing ratio and liquidity

According to the 2025 Annual Report, as at 31 December 2025, the audited bank balances and cash of the Group was approximately HK$8.1 million. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately HK$73.1 million.

Upon the completion of the Rights Issue, the equity attributable to owners of Company would be enlarged by the expected net proceeds from the Rights Issue of approximately HK$73.1 million. The gearing ratio was approximately 39.7% as at 31 December 2025.

RECOMMENDATION

Taking into consideration of the principal factors and reasons as set out in this letter, in particular, (i) the funding needs of the Group for procurement of stocks to capture the opportunities and cope with the operational needs taking into account the Group's forecast funding shortfall of approximately HK$73.1 million as well as the anticipated recovery of inbound tourism, the expected increase in luxury consumption and the Company's strategy to enhance its product mix, (ii) the Rights Issue being considered as a more preferable option as compared to other alternatives under the current circumstance of the Group having considered the Company's recent loss-making position in HY2026, existing indebtedness and the relatively limited feasibility of alternative fund-raising methods, such as debt financing and equity placement, on terms acceptable to the Company; (iii) the positive impact on the Group's liquidity position as a result of the Rights Issue as the estimated net proceeds will provide additional working capital for inventory procurement, rental expenses, staff costs, repayment of bond liabilities and general working capital requirements, thereby strengthening the Group's financial flexibility and supporting its future business development; and (iv) the Rights Issue allows the Qualifying Shareholders to participate in the fund raising on an equitable and pro rata basis, thereby enabling them to maintain their proportionate interests in the Company and participate in the future growth and development of the Group, we are of the opinion that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

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

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Wilson Lam
Executive Director

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

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three years ended 31 December 2025 and the six months ended 30 June 2026 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (hk.milanstation.com):

- the audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 30 April 2024 on p.41 to p.113

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043002930.pdf)

- the audited financial information of the Group for the year ended 31 December 2024 is disclosed in the annual report of the Company for the year ended 31 December 2024 published on 29 April 2025 on p.40 to p.107

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042904876.pdf);

- the audited financial information of the Group for the year ended 31 December 2025 is disclosed in the annual report of the Company for the year ended 31 December 2025 published on 29 April 2026 on p.40 to p.111

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0429/2026042904564.pdf); and

- the unaudited financial information of the Group for the six months ended 30 June 2026 is disclosed in the interim report of the Company for the six months ended 30 June 2026 published on 29 September 2026 on p.4 to p.17

  (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0929/2026092901379.pdf)

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

	HK$'000
Current liabilities	
Lease liabilities – unsecured and unguaranteed *(note (a))*	3,504
Lease liabilities – secured *(note (a))*	279
Bond payables – unsecured and unguaranteed *(note (b))*	8,440
Other borrowing – unsecured and unguaranteed *(note (c))*	2,217
	14,440
Non-current liabilities	
Lease liabilities – unsecured and unguaranteed *(note (a))*	1,570
Bond payables – unsecured and unguaranteed *(note (b))*	8,764
	10,334
Total indebtedness	**24,774**

Notes:

(a) The Group entered into lease agreements in relation to its retail stores and a motor vehicle, which are recognised as right-of-use assets and lease liabilities. The lease liabilities in respect of the retail stores were unsecured and unguaranteed. The lease liabilities of approximately HK$279,000 in respect of the motor vehicle were secured by the motor vehicle under the finance lease arrangement.

(b) As at 30 September 2026, the Group had outstanding bond payables with an aggregate principal amount of approximately HK$17.5 million and accrued interest of approximately HK$707,000. The bond payables were measured at amortised cost and comprised three unsecured, unguaranteed and non-convertible bonds owed to two independent third parties, details of which are set out below:

	Principal amount *HK$'000*	**Interest accrued** *HK$'000*	**Interest rate per annum**	**Repayment date**
Bond A	8,000	267	8%	16 April 2028
Bond B	1,500	–	6%	21 September 2028
Bond C	8,000	440	6%	9 November 2026*
Total	17,500	707		

* On 3 November 2026, the Company entered into a supplemental agreement with the bondholder of Bond C, pursuant to which the parties agreed to extend the repayment date of Bond C from 9 November 2026 to 9 February 2027, with all other terms of Bond C remaining unchanged.

(c) The other borrowing of approximately HK$2,217,000 (including accrued interest of approximately HK$217,000) was due to an independent third party, was unsecured and unguaranteed, bore interest at 8% per annum and was repayable on 23 November 2026. On 30 October 2026, the Group entered into an extension letter with the lender of the other borrowing, pursuant to which the parties agreed to extend the repayment date of the other borrowing from 23 November 2026 to 22 May 2027, with all other terms of the other borrowing remaining unchanged.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables and contract liabilities in the ordinary course of business, as at the close of business on 30 September 2026, the Group did not have any bank borrowings or banking facilities, loan capital or debt securities issued and outstanding or agreed to be issued, or authorised or otherwise created but unissued, bank overdrafts, loans, term loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since 30 September 2026, being the date of the indebtedness statement, up to the Latest Practicable Date; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this circular. The Company has received the working capital sufficiency letter from the auditor.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group subsequent to 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the retail of handbags, fashion accessories and embellishments. The Group has 3 "Milan Station" retail stores in Hong Kong and the online sales platform directly managed by the Group and the product sales in other new sales channels. The Group intends to further strengthen its market position in retail business in Hong Kong including but not limited to strengthening the financial position by the Rights Issue, which will enable the Company to expand its capital base so that it is able to procure more high-end luxury products.

For the year ended 31 December 2025, the Group's total revenue amounted to approximately HK$125.3 million, representing an increase of approximately 12% from approximately HK$111.9 million for FY2024, reflecting the improvement on retail business sentiment. In line with the revenue growth, the Group's gross profit increased by approximately 43.4% from approximately HK$8.3 million for FY2024 to approximately HK$11.9 million for FY2025, primarily due to the increase in sales of high profit margin inventories, being the high-end luxury inventories. The Group turned around from a net loss of approximately HK$26.4 million for FY2024 to a net profit of approximately HK$1.5 million for FY2025, primarily attributable to (i) the increase in gross profit as mentioned above; (ii) the recognition of fair value gain on financial asset at fair value through profit or loss; and (iii) the decrease in selling expenses and impairment loss on property, plant and equipment and right-of-use assets.

For the period ended 30 June 2026, the Group's total revenue amounted to approximately HK$49.1 million, representing a decrease of approximately 2% from approximately HK$50.1 million for the period ended 30 June 2025. The Group's gross profit decreased by approximately 29.8% from approximately HK$5.7 million for the period ended 30 June 2025 to approximately HK$4 million for the period ended 30 June 2026. The decrease in revenue and gross profit was primarily due to the decrease in sales of high profit margin inventories as the high-end luxury inventories require more funding and opportunities in procurement and the discount sales of slow moving inventories. The Group's net loss decreased by approximately HK$8.8 million from approximately HK$11 million for the period ended 30 June 2025 to approximately HK$2.2 million for the period ended 30 June 2026, primarily attributable to (i) the recognition of net gain on financial asset at fair value through profit or loss; and (ii) the effective cost control of the administrative and other operating expenses.

Based on the recent consumer's behavior and consumption pattern, the Company realises that there is a new opportunity that is "wealth effect" of resilient domestic high-net-worth individuals and affluent inbound traveler. As macro consumer behaviors have shifted toward highly selective and identity-driven spending, the Company is going to change the products mix and mainly focusing on the high-end luxury products which have a higher profit margin while most of the inventories of the Group are just medium to high end products.

Overall, the Board remains confident of the Group's future as it is expected that the "wealth effect" opportunity can scale up the Group's operation and enhance the Group's business and profitability.

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the "**Unaudited Pro Forma Financial Information**") which has been prepared by the Directors in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" as issued by the Hong Kong Institute of Certified Public Accountants, for the purpose of illustrating the effect of the Share Consolidation and the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Share Consolidation and the Rights Issue had taken place on 30 June 2026.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2026 or at any future date following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026, as extracted from the published interim report of the Company for the six months ended 30 June 2026, and adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 immediately after completion of the Rights Issue	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Existing Share as at 30 June 2026 immediately before completion of the Share Consolidation and the Rights Issue	Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30 June 2026 after taking into account the completion of the Share Consolidation but immediately before completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30 June 2026 immediately after completion of the Share Consolidation and the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*	*(Note 5)*
Based on 211,387,330 Rights Shares to be issued at the Subscription Price of HK$0.36 per Rights Share	71,050	73,099	144,149	0.0672	0.3361	0.3410

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 are based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2026 of approximately HK$71,050,000, as extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2026 included in the published interim report of the Company for the six months ended 30 June 2026. The Group did not have any intangible assets as at 30 June 2026.

2. The estimated net proceeds from the Rights Issue of approximately HK$73,099,000 are based on 211,387,330 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Consolidated Shares in issue on or before the Record Date) to be issued on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$0.36 per Rights Share, after deducting the estimated related expenses of approximately HK$3,000,000, including, among other things, placing commission and professional fees payable to the financial adviser, legal advisers, reporting accountants, printer and share registrar, which are directly attributable to the Rights Issue.

3. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Existing Share as at 30 June 2026 immediately before completion of the Share Consolidation and the Rights Issue are calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 of approximately HK$71,050,000 as disclosed in note 1 above, divided by 1,056,936,650 Existing Shares in issue as at 30 June 2026.

4. The unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30 June 2026 after taking into account the completion of the Share Consolidation (on the basis that every five (5) Existing Shares are consolidated into one (1) Consolidated Share) but immediately before completion of the Rights Issue are calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 of approximately HK$71,050,000 as disclosed in note 1 above, divided by 211,387,330 Consolidated Shares, being 1,056,936,650 Existing Shares in issue as at 30 June 2026 as adjusted for the effect of the Share Consolidation as if the Share Consolidation had become effective on 30 June 2026.

5. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30 June 2026 immediately after completion of the Share Consolidation and the Rights Issue are calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK$144,149,000, which is arrived at after aggregating the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2026 of approximately HK$71,050,000 and the estimated net proceeds from the Rights Issue of approximately HK$73,099,000 (note 2 above), divided by 422,774,660 Consolidated Shares, which comprise 211,387,330 Consolidated Shares in issue before completion of the Rights Issue (note 4 above) and 211,387,330 Rights Shares to be issued upon completion of the Rights Issue, as if the Share Consolidation and the Rights Issue had been completed on 30 June 2026.

6. Save as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2026.

B. REPORT FROM THE REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

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



24th Floor,
Siu On Centre,
188 Lockhart Road,
Wan Chai, Hong Kong
24 November 2026

Independent Reporting Accountants' Assurance Report on the Compilation of Unaudited Pro Forma Financial Information

The Board of Directors
Milan Station Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Milan Station Holdings 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 of the Group as at 30 June 2026 and the related notes as set out on pages II-1 to II-3 of the circular issued by the Company dated 24 November 2026 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Circular.

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 (1) rights share for every one (1) consolidated share held on the record date following the proposed share consolidation (the "Rights Issue") on the Group's consolidated net tangible assets attributable to owners of the Company as at 30 June 2026 as if the Rights Issue had taken place on that date. As part of this process, information about the Group's consolidated net tangible assets attributable to owners of the Company as at 30 June 2026 has been extracted by the Directors from the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026, in respect of which an interim report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 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**") as 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" as issued by the HKICPA, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", 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 29(7) of Chapter 4 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" as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

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

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

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the criteria used by the Directors in compiling 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 as to whether:

– the related unaudited pro forma adjustments give appropriate effect to those criteria; and

– the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to their understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the Directors 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 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong

Ho Wai Kuen
Practising Certificate Number – P05966

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Increase in Authorised Share Capital becoming effective but before the completion of the Share Consolidation and the Rights Issue; (iii) immediately after the completion of the Increase in Authorised Share Capital and the Share Consolidation becoming effective but before the completion of the Rights Issue; and (iv) immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue and no change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Rights Issue other than as a result of the Increase in Authorised Share Capital and the Share Consolidation) are set out as follows:

(i) As at the Latest Practicable Date

Authorised:		*HK$*
2,000,000,000	Ordinary Shares of HK$0.04 each	80,000,000
Issued and fully paid:		*HK$*
1,056,936,650	Ordinary Shares of HK$0.04 each	42,277,466

(ii) Immediately after completion of the Increase in Authorised Share Capital becoming effective but before the completion of the Share Consolidation and the Rights Issue

Authorised:		*HK$*
10,000,000,000	Ordinary Shares of HK$0.04 each	400,000,000
Issued and fully paid:		*HK$*
1,056,936,650	Ordinary Shares of HK$0.04 each	42,277,466

(iii) Immediately after the completion of the Increase in Authorised Share Capital and the Share Consolidation becoming effective but before the completion of the Rights Issue

Authorised:		*HK$*
2,000,000,000	Consolidated Shares of HK$0.2 each	400,000,000
Issued and fully paid:		*HK$*
211,387,330	Consolidated Shares of HK$0.2 each	42,277,466

(iv) Immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue and no change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Rights Issue other than as a result of the Increase in Authorised Share Capital and the Share Consolidation)

Authorised:		*HK$*
2,000,000,000	Consolidated Shares of HK$0.2 each	400,000,000
Issued and fully paid:		*HK$*
211,387,330	Consolidated Shares of HK$0.2 each	42,277,466
211,387,330	Rights Shares to be allotted and issued Upon the completion of the Rights Issue	42,277,466
		84,554,932

All of the Shares in issue are fully-paid and rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

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

As at the Latest Practicable Date, the Company does not hold any treasury shares (as defined under the Listing Rules), and there were no arrangements under which future dividends are waived or agreed to be waived.

3. SHARE OPTION SCHEME

As at the Latest Practicable Date, no share options have been granted by the Company under any of its share schemes, and the Company has no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares. The Company has no intention to issue any new Shares or issue or grant any options, warrants or other convertible securities which confer any right to convert into or subscribe for Shares on or before the Record Date.

4. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code were as follows.

Interest in Shares

Name of Director/ Chief Executive	Nature of interest	Number of Shares interested	Approximate percentage of issued share of capital of the Company *(Note1)*
Mr. Hu Bo	Beneficial owner	2,210,000 (L)	0.21%

Notes:

(1) The shareholding percentage in the Company is calculated on the basis of 1,056,936,650 Shares in issue as at the Latest Practicable Date.

(2) The letter "L" denotes a long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any 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 Divisions 7 and 8 of Part XV of the SFO (including the 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 referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

Substantial shareholders' interest in Shares and underlying shares

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.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, the Directors confirm that none of them or his/her/its respective close associates had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosable under the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors (i) had any interest in any assets which have been, since 31 December 2025 (being the date up to which the latest published audited accounts of the Company were made up), 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; and (ii) was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

7. DIRECTORS' SERVICE CONTRACTS

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

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

9. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinions, letters or advices included in this circular:

Name	Qualifications
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants
Vinco Financial Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

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

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

As at the Latest Practicable Date, none of the experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up.

10. MATERIAL CONTRACTS

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

11. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK$3 million, which are payable by the Company.

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	*Executive Directors* Mr. Hu Bo Ms. Ji Guiping *Independent non-executive Directors* Mr. Chan Chi Hung Mr. Tou Kin Chuen Mr. Choi Kam Yan, Simon
Audit committee	Mr. Tou Kin Chuen *(Chairman)* Mr. Chan Chi Hung Mr. Choi Kam Yan, Simon
Remuneration committee	Mr. Tou Kin Chuen *(Chairman)* Mr. Chan Chi Hung Mr. Hu Bo

Nomination and corporate governance committee	Mr. Hu Bo *(Chairman)* Mr. Chan Chi Hung Mr. Tou Kin Chuen
Registered office	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Head office and principal place of business	Room A9, 3F., Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Lai Chi Kok, Hong Kong
Authorised representatives	Mr. Hu Bo Ms. Tam Tsz Yan
Business address of all Directors and authorised representatives	Room A9, 3F., Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Lai Chi Kok, Hong Kong
Company secretary	Ms. Tam Tsz Yan (an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute)
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Principal banker	OCBC Wing Hang Bank Limited OCBC Centre, 161 Queen's Road Central, Hong Kong China Construction Bank (Asia) Corporation Limited 28/F, China Construction Bank Tower, 3 Connaught Road Central, Central, Hong Kong

Auditor	McMillan Woods (Hong Kong) CPA Limited 24/F., Siu On Centre 188 Lockhart Road Wanchai, Hong Kong
Legal adviser to the Company as to Hong Kong laws	Tang Tso & Lau Room 209, 2/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Vinco Financial Limited Unit 2808, 28/F, The Center, 99 Queen's Road Central, Hong Kong
Placing Agent	Suncorp Securities Limited Unit 2305, 23/F, The Center, 99 Queen's Road Central, Hong Kong

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Hu Bo ("Mr. Hu"), aged 49, was appointed as an executive Director on 6 June 2016. He graduated from Dongbei University of Finance and Economics in 2002. He has extensive experience in sales and marketing strategies and management. Prior to joining the Group, he was the Sales Director and Deputy General Manager at Shenzhen Huayi Technology Co., Limited（深圳華億信息科技有限公司）.

Ms. Ji Guiping ("Ms. Ji"), aged 52, was appointed as an executive Director on 27 February 2025. She has over 10 years of extensive experience in various fields of sales, marketing, data analysis and corporate management. She has worked as chief information officer in a sizable merchandising corporation in the People's Republic of China from 2016 to 2024. She was responsible for monitoring sales data of different products and market segments, analysis market trends and demand, and market development.

Independent non-executive Directors

Mr. Tou Kin Chuen ("Mr. Tou"), aged 50, was appointed as an independent non-executive Director on 22 July 2015. He is the principal of Roger K.C. Tou & Co.. Mr. Tou graduated from the Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) with a Honours Diploma in Accounting in 2001. He has over 19 years' experience in audit, taxation, company secretarial, insolvency and finance. Mr. Tou is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong. He is currently an independent non-executive director of Suncity Group Holdings Limited (formerly known as Sun Century Group Limited), the shares of which are listed on the Main Board of the Stock Exchange, and Sun International Group Limited (formerly known as Sun International Resources Limited), the shares of which are listed on the GEM operated by the Stock Exchange.

Mr. Chan Chi Hung ("Mr. Chan"), aged 53, was appointed as an independent non-executive Director on 22 July 2015. He holds a Bachelor of Science Degree with major in Economics with University of Minnesota, and is an alumni of Stanford Graduate School of Business with a certificate of Stanford Executive Program. He is currently a non-executive director of Build King Holdings Limited (a company listed on the Stock Exchange, stock code: 240) since 4 December 2008. He was an executive director of EPI (Holdings) Limited (a company listed on the Stock Exchange, stock code: 689) during the period from 16 July 2013 to 19 October 2016, an executive director and the managing director of Long Investment Corp (formerly known as Long Corp and China Financial Leasing Group Limited) (a company listed on the Stock Exchange, stock code: 2312) during the periods from 26 April 2007 to 24 July 2007 and from 24 July 2008 to 15 July 2013, respectively, and an independent non-executive director of DIT Group Limited (a company listed on the Stock Exchange, stock code: 726) during the period from 30 December 2014 to 14 June 2018. Mr. Chan was the investment manager of Springfield Financial Advisory Limited, in charge of private equity, fund of-funds and fixed income investment portfolios. He started his career as a banker at J.P. Morgan Chase.

Mr. Choi Kam Yan, Simon ("Mr. Choi"), aged 42, was appointed as an independent non-executive Director on 1 February 2018. He was an executive director of Flydoo Technology Holding Limited (a company listed on the Stock Exchange, stock code: 8069) during the period from 30 September 2022 to 1 June 2023. Before Flydoo Technology Holding Limited, he worked with Supreme China Securities Limited as the marketing manager which was responsible for the managerial works and monitoring the overall business. Mr. Choi obtained Bachelor Degrees in Business Administration-Finance and Economics from State University of New York at Stony Brook.

14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Company (the "**Audit Committee**") comprised all of the independent non-executive Directors, namely Mr. Tou Kin Chuen, (the chairman of the Audit Committee), Mr. Chan Chi Hung, and Mr. Choi Kam Yan, Simon. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed "13. Particulars of the Directors and senior management" in this appendix. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditor, and performing the corporate governance function.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (https://www.hkexnews.hk/) and the Company (hk.milanstation.com) from the date of this circular up to and including the date of the EGM:

(i) the letter from the Board, the text of which is set out on pages 12 to 50 of this circular;

(ii) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages IBC-1 to IBC-2 of this circular;

(iii) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-44 of this circular;

(iv) the independent reporting accountants' assurance report on the compilation of the unaudited pro forma financial information of the Group issued by McMillan Woods (Hong Kong) CPA Limited set out in Appendix II to this circular;

(v) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and

(vi) the written consents of the experts referred to in the paragraph headed "Experts and Consents" in this appendix.

16. MISCELLANEOUS

(i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(ii) As at the Latest Practicable Date, there was no contract for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group's business.

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

(iv) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

MILAN STATION HOLDINGS LIMITED
米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Milan Station Holdings Limited (the "**Company**") will be held on Monday, 14 December 2026 at 11:00 a.m. at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT** subject to and conditional upon (i) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation (as defined below) and the Increase in Authorised Share Capital (as defined below), and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) arising from the Share Consolidation, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or on the business day the aforesaid conditions are fulfilled (whichever is later):

   (a) the authorised share capital of the Company will be changed from HK$80,000,000 divided into 2,000,000,000 Existing Shares to HK$400,000,000 divided into 10,000,000,000 Existing Shares;

   (b) every five (5) existing issued and unissued ordinary shares of par value of HK$0.04 each in the authorised share capital of the Company (the "**Share(s)**") be consolidated into one (1) ordinary share of par value of HK$0.20 each (the "**Consolidated Share(s)**") so that the authorised share capital of the Company shall be changed from HK$400,000,000 divided into 10,000,000,000 Shares to HK$400,000,000 divided into 2,000,000,000 Consolidated Shares immediately following the Share Consolidation but before the Increase in Authorised Share Capital (as defined below) and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject

to the restrictions in respect of ordinary shares contained in the second amended and restated memorandum and articles of association of the Company (the "**Share Consolidation**");

(c) no fractional Consolidated Shares will be issued by the Company and any fractional entitlements to the Consolidated Shares will be aggregated and sold for the benefit of the Company; and

(d) any one or more directors of the Company (the "**Directors**") be and is/are hereby authorised to approve, sign and execute such documents and do and/or procure to be done any and all acts, deeds and things which in his/her/their opinion may be necessary, desirable or expedient to effect and implement this resolution."

2. "**THAT** conditional upon (i) the passing of resolution number 1 as set out above; (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked; (iii) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance; and (iv) the Placing Agreement not having been terminated in accordance with its provisions thereof, and remaining in full force and effect:

(a) the allotment and issue of 211,387,330 Rights Shares by way of Rights Issue at the Subscription Price of HK$0.36 per Rights Share on the basis of one (1) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date other than those Non-Qualifying Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong, whom the Directors, after making enquiry regarding the legal restrictions under the laws of relevant place and requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from Rights Issue, based on legal advice provided by legal advisers in the relevant jurisdictions, and the transactions contemplated thereunder, be and are hereby approved;

(b) the Placing Agreement dated 7 October 2026, which is supplemented by another agreement dated 24 November 2026 (the "**Placing Agreement**") entered into between the Company and the Placing Agent and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(c) the Board or a committee thereof be and is/are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Board may make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as it may deem necessary or expedient having regard to the legal restrictions under the laws of the place and requirements of the relevant regulatory body or stock exchange; and

(d) any Director be and is hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder."

By order of the Board
Milan Station Holdings Limited
Hu Bo
Executive Director

Hong Kong, 24 November 2026

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

Head office and principal place of business in Hong Kong:
Room A9, 3F., Block A
Hong Kong Industrial Centre
489-491 Castle Peak Road
Lai Chi Kok, Hong Kong

As at the date of this notice, the Board comprises Mr. Hu Bo and Ms. Ji Guiping as executive Directors; and Mr. Chan Chi Hung, Mr. Tou Kin Chuen and Mr. Choi Kam Yan, Simon as independent non-executive Directors.

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint a proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A member holding two or more shares entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.

2. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the office of the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong at least 48 hours before the time appointed for the holding of the EGM (i.e. at 11:00 a.m. on Saturday, 12 December 2026) or any adjournment or postponement thereof.

3. The register of members of the Company will be closed from Tuesday, 8 December 2026 to Monday, 14 December 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong no later than 4:30 p.m. on Monday, 7 December 2026.

4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

5. If Typhoon Signal No. 8 or above, or extreme conditions caused by super typhoons or a "black" rainstorm warning is in effect in Hong Kong any time after 7:00 a.m. on the date of the EGM, the EGM will be adjourned or postponed. The Company will post an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (hk.milanstation.com) to notify Shareholders of the date, time and place of the rescheduled meeting.

6. Any voting at the EGM shall be taken by poll.