
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in Aeso Holding Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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.



aeso

AESO HOLDING LIMITED

艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO
RIGHTS SHARES FOR EVERY ONE EXISTING SHARE
HELD ON THE RECORD DATE;
AND
NOTICE OF EGM**

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders



**瓏盛資本有限公司
Draco Capital Limited**

Placing Agent to the Company

Suncorp Securities Limited

Suncorp

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

A letter from the Board is set out on pages 10 to 35 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 36 to 37 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 38 to 64 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Wednesday, 12 November 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 25 November 2025 to Tuesday, 2 December 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 25 November 2025 to Tuesday, 2 December 2025 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

A notice convening the EGM to be held at Portion 2, 12/F, the Center, 99 Queen's Road Central, Hong Kong at 11:00 a.m. on Monday, 10 November 2025 is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it with Tricor Investor Services Limited, the branch share registrar of Aeso Holding Limited in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting (i.e. 11:00 a.m. on Saturday, 8 November 2025, Hong Kong time) or any adjournment thereof.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Conditions of the Rights Issue" in this circular. Shareholders and potential investors of the Company should note that: (a) if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed; and (b) the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

20 October 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
EXPECTED TIMETABLE	7
LETTER FROM THE BOARD	10
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	36
LETTER FROM INDEPENDENT FINANCIAL ADVISER	38
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III– GENERAL INFORMATION	III-1
NOTICE OF EGM	EGM-1

DEFINITIONS

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

“Announcements”	the First Announcement, the announcement of the Company dated 22 September 2025 and 13 October 2025
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” the government of Hong Kong announces in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	AESO Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8341)
“Company (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.26(2) of the GEM Listing Rules

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held and convened to consider and approve the Rights Issue, and the transactions contemplated thereunder
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) 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
“First Announcement”	the announcement of the Company dated 4 September 2025 in relation to, among other things, the Rights Issue
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the GEM Listing Rules to advise the Independent Shareholders in respect of the Rights Issue

DEFINITIONS

“Independent Financial Adviser” or “Draco Capital”	Draco Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
“Last Trading Day”	4 September 2025, being the day of the First Announcement
“Latest Placing Date”	23 December 2025 or such later date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares
“Latest Placing Time”	4:00 p.m. on the Latest Placing Date
“Latest Practicable Date”	17 October 2025, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Friday, 5 December 2025, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Long Stop Date”	23 December 2025 or such later date as may be agreed between the Placing Agent and the Company in writing
“Mr. Chan”	Mr. Chan Siu Chung, the Chairman and an executive Director of the Company
“Net Gain”	Any premiums paid by the placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements

DEFINITIONS

“No Action Shareholders”	Qualifying Shareholders (excluding Mr. Chan) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements)
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements)

DEFINITIONS

“Placing Agent”	Suncorp Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 10.26(2) of the GEM Listing Rules
“Placing Agreement”	the placing agreement dated 4 September 2025 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis
“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed “The Placing Agreement” in this circular
“Placing Period”	a period commencing from the second Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares, which is expected to be Tuesday, 16 December 2025, and ending at the Latest Placing Time
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and PAL
“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, 20 November 2025 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited

DEFINITIONS

“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	Up to 160,000,000 new Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder Irrevocable Undertaking”	the irrevocable undertaking executed on 4 September 2025 by Mr. Chan in favour of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.110 per Rights Share
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Supplemental Placing Agreements”	the supplemental placing agreements dated 22 September 2025 and 13 October 2025 entered into between the Company and the Placing Agent to amend and supplement certain terms and conditions of the Placing Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“US”	the United States of America
“US\$”	US dollars, the lawful currency of the US
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	2025
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Latest time for lodging transfer documents of Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Tuesday, 4 November
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Closure of register of members of the Company for attending the EGM (both days inclusive)	Wednesday, 5 November to Monday, 10 November
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Latest time for lodging forms of proxy for the purpose of the EGM	11:00 a.m. on Saturday, 8 November
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Record date for determining attendance and voting at the EGM	Monday, 10 November
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Expected date and time of the EGM	11:00 a.m. on Monday, 10 November
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Announcement of poll results of the EGM	Monday, 10 November
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Last day of dealings in Shares on a cum-rights basis	Tuesday, 11 November
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First day of dealings in Shares on an ex-rights basis	Wednesday, 12 November
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Latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Thursday, 13 November
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Closure of register of members of the Company for the Rights Issue (both days inclusive)	Friday, 14 November to Thursday, 20 November
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Record Date for determining entitlements to the Rights Issue	Thursday, 20 November
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Register of members of the Company re-opens	Friday, 21 November
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Despatch of Prospectus Documents	Friday, 21 November
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First day of dealings in nil-paid Rights Shares	Tuesday, 25 November
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Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Thursday, 27 November
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Last day of dealings in nil-paid Rights Shares	Tuesday, 2 December
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EXPECTED TIMETABLE

Event 2025

Latest time for acceptance of and payment
for the Rights Shares 4:00 p.m. on Friday, 5 December

Announcement of the number of Unsubscribed
Rights Shares and the ES Unsold Rights Shares
subject to the Compensatory Arrangements Monday, 15 December

Commencement of placing of Unsubscribed
Rights Shares and the ES Unsold Rights Shares
by the Placing Agent Tuesday, 16 December

Latest time of placing of the Unsubscribed
Rights Shares and the ES Unsold Rights Shares
by the Placing Agent 4:00 p.m. Tuesday, 23 December

Latest time for the Rights Issue and placing of
the Unsubscribed Rights Shares and ES Unsold
Rights Shares to become unconditional 4:00 p.m. Tuesday, 23 December

Announcement of results of the Rights Issue
(including results of the placing of the Unsubscribed
Rights Shares and the ES Unsold Rights Shares
and the amount of the Net Gain per Unsubscribed
Rights Share and per ES Unsold Rights Share under
the Compensatory Arrangements) Wednesday, 24 December

Refund cheques, if any, to be despatched
(if the Rights Issue does not proceed) Monday, 29 December

Certificates for fully paid Rights Shares
to be despatched Monday, 29 December

Commencement of dealings in fully-paid
Rights Shares 9:00 a.m. on Tuesday, 30 December

Designated broker starts to stand in the market
to provide matching services for odd lots of Shares Tuesday, 30 December

Event 2026

Last day for the designated broker to provide
for odd lot matching Tuesday, 20 January

Payment of Net Gain to relevant No Action
Shareholders (if any) or Excluded Shareholders (if any) Wednesday, 21 January

EXPECTED TIMETABLE

All times and dates in this circular refer to Hong Kong local times and dates.

The expected timetable is subject to change, and any such change will be further announced by 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 of and payment for the Rights Shares will not take place if:

1. there is a tropical cyclone warning signal no. 8 or above;
2. “extreme conditions” the government of Hong Kong announces in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of Hong Kong; or
3. a “black” rainstorm warning
 - (a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (b) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. Announcement will be made by the Company in such event.

LETTER FROM THE BOARD



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AESO HOLDING LIMITED

艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

Executive Directors:

Mr. Chan Siu Chung
Mr. Cheung Hiu Tung
Mr. Zhang Hai Wei

Registered office:

89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Independent non-executive Directors:

Mr. Yeung Chun Yue, David
Ms. Lai Wing Sze
Ms. Yu Wan Ki

Principal place of business in Hong Kong:

14/F., 299QRC,
287-299 Queen's Road Central
Sheung Wan
Hong Kong

20 October 2025

To: the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO
RIGHTS SHARES FOR EVERY ONE EXISTING SHARE
HELD ON THE RECORD DATE
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the Announcements, in relation to, among other matters, the Rights Issue. On 4 September 2025, the Company proposed to raise up to approximately HK\$17.6 million on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date by issuing 160,000,000 Rights Shares at the Subscription Price of HK\$0.110 per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Subscription Price is payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renounee of any

LETTER FROM THE BOARD

provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The purpose of this circular is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

PROPOSED RIGHTS ISSUE

The Board proposed to raise up to approximately HK\$17.6 million on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date by issuing 160,000,000 Rights Shares at the Subscription Price of HK\$0.110 per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date).

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held at the close of business on the Record Date
Subscription Price	:	HK\$0.110 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	80,000,000 Shares
Number of Rights Shares	:	Up to 160,000,000 Rights Shares with an aggregate nominal value of US\$1.6 million, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date
Number of issued shares of the Company upon completion of the Rights Issue	:	Up to 240,000,000 Shares, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date
Gross proceeds to be raised	:	Up to approximately HK\$17.6 million before expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date

LETTER FROM THE BOARD

Net proceeds to be raised : Up to approximately HK\$16.4 million after expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date

The Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 200.00% of the Company's issued share capital as at the Latest Practicable Date and approximately 66.7% of the Company's issued share capital as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before completion of the Rights Issue.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There will be no excess application arrangements in relation to the Rights Issue as stipulated under GEM Listing Rule 10.31(1)(a) of the GEM Listing Rules. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Mr. Chan for which subscription of Rights Shares will be subject to the Shareholder Irrevocable Undertaking as set out in the section headed "The Shareholder Irrevocable Undertaking" in this circular, will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain 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.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not cause the Company failing to meet the public float requirement under Rule 11.23(7) of the GEM Listing Rules.

LETTER FROM THE BOARD

The Shareholder Irrevocable Undertaking

As at the Latest Practicable date, Mr. Chan is beneficially interested in 10,600,000 Shares, representing approximately 13.25% of the existing issued share capital of the Company. Pursuant to the Shareholder Irrevocable Undertaking, Mr. Chan has provided irrevocable undertakings to the Company, among other things, (i) to take up all of the assured entitlements to the Rights Shares in respect of Shares beneficially owned by him as at the date of the Shareholder Irrevocable Undertaking pursuant to the terms of the Rights Issue provided that the total number of Rights Shares to be subscribed by Mr. Chan under the Rights Issue will be scaled down to the extent that Mr. Chan will not trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) Mr. Chan will not dispose of or transfer any interests in the Company (including Shares) from the date of the Shareholder Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Save for the Shareholder Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any other substantial shareholders (as defined in the GEM Listing Rules) of the Company of their intention in relation to the Rights Shares to be allotted to them as at the Latest Practicable Date.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.110 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 28.57% to the closing price of HK\$0.154 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 25.7% to the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 10.35% to the theoretical ex-rights price of approximately HK\$0.1227 per Share based on the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a discount of approximately 23.1% to the average of the closing prices of approximately HK\$0.143 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (e) a discount of approximately 26.0% to the average of the closing prices of approximately HK\$0.1486 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (f) a discount of approximately 83.0% to the audited net asset value per Share as at 31 March 2025 of approximately HK\$0.6468; and
- (g) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 17.12%, based on the theoretical diluted price of approximately HK\$0.1227 per Share to the benchmarked price of approximately HK\$0.148 per Share, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day.

The Subscription Price was determined by the Company taking into account, among other things, (i) the recent market price of the Shares that fluctuated at between HK\$0.136 per Share and HK\$0.194 per Share since August 2025 and up to the date of the First Announcement; (ii) the price performance of the Shares was not generally in line with the growth of the prevailing market conditions and the aforesaid recent price range of the Shares is still relatively low when comparing with the Share price since the listing of the Company (which means the Share price has underperformed and larger discount is required to attract investors to participate in the Rights Issue); (iii) the average discount of the subscription price to the closing price on the respective last trading day as disclosed by 17 companies listed on the Stock Exchange (the “**Comparable Cases**” as listed below) in recent rights issue in the market of around 25% (which is comparable to the Rights Issue); and (iv) the amount of funds and capital needs and the reasons for the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in this circular. All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

LETTER FROM THE BOARD

Company (stock code)	Date of prospectus	Premium/(discount) of the subscription price over/to the closing price per share on the respective last trading day of rights issue	Theoretical dilution effect
Graphex Group Limited (6128)	8 April 2025	(32.00%)	24.00%
Pacific Legend group Limited (8547)	8 April 2025	(13.79%)	4.60%
Yues International Holdings Group Limited (1529)	8 April 2025	(7.14%)	21.47%
China Baoli Technologies Holdings Limited (164)	2 May 2025	6.67%	0.00%
ISP Holdings Limited (2340)	6 May 2025	(74.50%)	24.85%
Volcano Spring International Holdings Limited (1715)	14 May 2025	47.06%	0.00%
C Cheng Holdings Limited (1486)	21 May 2025	(67.21%)	22.40%
Good Fella Healthcare Holdings Limited (8143)	22 May 2025	(12.28%)	10.94%
Melco International Development Limited (200)	26 May 2025	(72.93%)	24.31%
SEEC Media Group Limited (205)	2 Jun 2025	(14.06%)	6.87%
Shougang Century Holdings Limited (103)	3 Jun 2025	12.30%	0.00%
China Sci-Tech Industrial Investment Group Limited (339)	9 Jun 2025	(43.10%)	16.20%
Yuzhou Group Holdings Company Limited (1628)	23 Jun 2025	(73.68%)	24.23%
Xinming China Holdings Limited (2699)	23 Jun 2025	(13.80%)	16.90%
Global Strategic Group Limited (8007)	25 Jun 2025	(12.50%)	11.30%
Memestategy, INC. (2440)	4 July 2025	(49.70%)	16.60%
Greenheart Group Limited (94)	7 July 2025	(9.25%)	3.00%
		(25.29%)	16.20%
		Average	Median

LETTER FROM THE BOARD

Although the Subscription Price appears to be at a substantial discount to net asset value per Share as at 31 March 2025, the Board considers that it is not the most relevant benchmark to assess the Subscription Price as (i) substantial portion (around two-third) of the Company's total assets is contract assets which do not have open market for public to assess the fair value and are not practicably transferable like cash, deposits, properties and investments that are commonly considered in asset approach valuation; and (ii) closing prices of the Shares have been generally at significant discount to the net asset value per Share in the open market ranging from approximately 57.5% to 78.5% after the financial year ended 31 March 2023 which indicates that the market has already imputed a significant discount on the price of the Shares to the Company's net asset value making it a less relevant benchmark for pricing the Rights Issue. Given the recent market price of the Shares have already reflected the valuation and expectation of the investors to the Company, the Board considers that recent market price of the Shares to be relevant for our assessment to the fairness and reasonableness of the Subscription Price.

In view of the basis of determination of the Subscription Price mentioned above and the imminent need of capital for the purposes as detailed in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in this circular, the Board considers that it is necessary to set the Rights Issue on a 2-to-1 ratio in order to raise sufficient equity capital. As the theoretical dilution effect is resulted from the basis of entitlement (i.e. the number of Rights Shares available for subscription.) and the discount of the Subscription Price to the benchmarked price, the Board has also reviewed the theoretical dilution effect in the Comparable Cases immediately before the day of the First Announcement and noted that the theoretical dilution effect of the Rights Issue of approximately 17.12% is within the range of the Comparable Cases from nil to approximately 24.85% but slightly above the median of approximately 16.20% for the Comparable Cases. Given such theoretical dilution effect is necessitated by the Company's funding needs and below 25% as required under the GEM Listing Rules, the Board considers that it is justifiable even slightly above the market median.

The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 11.23(7) of the GEM Listing Rules.

Based on the above, the Directors (including the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue allows the Qualifying

LETTER FROM THE BOARD

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.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 66.7%. The theoretical dilution effect of the Rights Issue is approximately 17.12% which is below 25% as required under Rule 10.44A of the GEM Listing Rules.

The Directors (including the members of the Independent Board Committee whose opinion is set forth in the circular of the Company after having been advised by Independent Financial Advisor) are of the view that the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders, and that all Qualifying Shareholders are treated equally. The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) is estimated to be approximately HK\$0.1025, if fully subscribed.

Basis of provisional allotments

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

The PAL relating to the Rights Shares in printed form will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

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

In order to be registered as members of the Company at the close of business on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (together with the relevant share certificates) with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 November 2025.

LETTER FROM THE BOARD

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 November 2025.

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

Rights of Overseas Shareholders (if any)

As at the Latest Practicable Date, there is no Shareholder with registered address (as shown on the register of members of the Company) which is outside Hong Kong.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only, but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form during the period from Tuesday, 25 November 2025 to Tuesday, 2 December 2025 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Excluded Shareholders.

LETTER FROM THE BOARD

In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

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

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Status of Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects among themselves and with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, on or after the record date of which is after the date of allotment of the Rights Shares in their fully-paid form. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Fractions of the Rights Shares

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

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

Pursuant to GEM Listing Rule 10.31(1)(b) of the GEM Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to

LETTER FROM THE BOARD

independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 23 December 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price.

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

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for;
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for;
- (iii) if the Rights Issue is extended to the Overseas Shareholders (if any) and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for. But for those Excluded Shareholders, by reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

LETTER FROM THE BOARD

THE PLACING AGREEMENT

On 4 September 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, on 22 September 2025 and 13 October 2025, parties entered in to the Supplemental Placing Agreements, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) are as follows:

Date : 4 September 2025 (after trading hours)

Issuer : the Company

Placing Agent : Suncorp Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected persons or any of their respective associates.

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

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

Commission : 2.5% of the amount which is equal to the Placing Price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

The commission is not payable by the Company to the Placing Agent if the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) has not become unconditional or is otherwise terminated in accordance with its terms.

LETTER FROM THE BOARD

- Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case maybe) : The placing price of each of the Unsubscribed Rights Shares and/or the ES Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price.
- The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights during the process of placement.
- Placees : The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies).
- The Placing Agent will use its best endeavour to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the public float requirement under Rule 11.23(7) of the GEM Listing Rules upon completion of the Placing and the Right Issue.
- Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares : Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):
- (i) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

LETTER FROM THE BOARD

- (ii) none of the representations, warranties or undertakings contained in the (as amended and supplemented by the Supplemental Placing Agreements) Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iii) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the conditions precedent to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) (other than those set out in paragraph (i) above) by notice in writing to the Company.

LETTER FROM THE BOARD

Termination : The Placing Arrangement (as amended and supplemented by the Supplemental Placing Agreements) shall end on 23 December 2025 or any other date by mutual written agreement between the Placing Agent and the Company.

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

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

LETTER FROM THE BOARD

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

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 engagement between the Company and the Placing Agent for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

LETTER FROM THE BOARD

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 5,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission in CCASS

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

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

Stamp duty and other applicable fees

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

Taxation

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on or before Monday, 29 December 2025 by ordinary post to the allottees, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Rights Shares.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll at the EGM of the necessary resolution(s) to approve the Rights Issue, and the transactions contemplated thereunder to be effective in compliance with the GEM Listing Rules (including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully paid forms) by no later than the Prospectus Posting Date;
- (b) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (c) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively, of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;
- (d) following registration, the posting of the Prospectus Documents to Qualifying Shareholders, the posting of the Prospectus and the Overseas Letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue, and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and
- (e) compliance with and performance of all undertakings and obligations of Mr. Chan under the Shareholder Irrevocable Undertaking in all material respects.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied by the respective dates set out above (or such later date as the Company may determine), the Rights Issue will not proceed. As at the Latest Practicable Date, condition (e) above is satisfied.

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

LETTER FROM THE BOARD

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Tuesday, 30 December 2025 to Tuesday, 20 January 2026 (both days inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 80,000,000 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	Number of Shares	Approx.% (note)	Number of Shares	Approx.% (note)	Number of Shares	Approx.% (note)	Number of Shares	Approx.% (note)
Mr. Chan	10,600,000	13.25	31,800,000	13.25	29,728,696	29.99	31,800,000	13.25
Public Shareholders	69,400,000	86.75	208,200,000	86.75	69,400,000	70.01	69,400,000	28.92
Independent placees	–	–	–	–	–	–	138,800,000	57.83
Total	<u>80,000,000</u>	<u>100.00</u>	<u>240,000,000</u>	<u>100.00</u>	<u>99,128,696</u>	<u>100.00</u>	<u>240,000,000</u>	<u>100.00</u>

Note: The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

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.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the premise enhancement solution service in Hong Kong by providing contracting service for (i) the internal fitting-out of newly built commercial premises and residential developments, and (ii) the renovation work as well as alteration and addition work for existing commercial premises.

As set out in the annual report of the Company for the year ended 31 March 2025, the Group recorded positive net cash generated from operating activities for the years ended 31 March 2024 and 2025 and the Group will continue focusing on the opportunities in renovation works and fitting-out works in Hong Kong, especially renovation projects of entertainment industry such as cinema or museums and leisure facilities such as private club houses. Meanwhile, the Board is optimistic about the growth of the business and will continue to tender for new fitting out projects including those for mainland based property developers which are currently very active in new properties development in Hong Kong. During the year ended 31 March 2025, the Group submitted tenders amounting to approximately HK\$1,380.5 million (2024: approximately HK\$1,981.5 million) which included 2 projects were awarded (2024: 3 projects were awarded) amounted to approximately HK\$65.7 million (2024: approximately HK\$221.7 million) included design and build of on-site sales office for the proposed residential development in Kai Tak; and fitting out works to clubhouse and entrance lobbies in Kwun Tung. The Group is renowned for its service quality and project management efficiency, such that most of the tenders were invited by the sizeable property developers in Hong Kong and sizeable PRC property developers in Hong Kong.

As set out in the annual report of the Company for the year ended 31 March 2025, the Group recorded liabilities of approximately HK\$109.4 million and current liabilities of approximately HK\$104.9 million as at 31 March 2025. As at 31 March 2025, the Group's liabilities mainly comprised of account and other payables of approximately HK\$40.9 million and borrowings from the bank and independent third parties of approximately HK\$60.0 million.

The Board considers that the Rights Issue represents an opportunity for the Company to (i) participate some contracting service projects which requires financial resources; and (ii) general working capital of the Group.

It is estimated that the Company will raise up to HK\$17.6 million from the Rights Issue and the relevant expenses would be approximately HK\$1.2 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated maximum net proceeds from the Rights Issue will accordingly be approximately HK\$16.4 million (equivalent to a net price of approximately HK\$0.1025 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:-

- (i) approximately HK\$13.7 million for participating some contracting service projects which requires financial resources; and

LETTER FROM THE BOARD

- (ii) approximately HK\$2.7 million as general working capital of the Group.

The Group generally engages subcontractors to perform most of the site works and materials suppliers to supply materials for its projects.

As at the Latest Practicable Date, the Group has been awarded one project recently from property developer through tendering but had not yet commenced, with an aggregate contract sum of approximately HK\$52.3 million. The following table sets forth the project but had not yet commenced as at the Latest Practicable Date.

Project	Scope of works	Expected project duration	Contact sum	Estimated amount of upfront costs
A residential project in Kwu Tung	responsible for of fitting out works to clubhouse and entrance lobbies	1 year	HK\$52.3 million	HK\$10.3 million

Based on the Group's estimated construction schedule for the above mentioned project, the estimated payment requirement for the upfront costs for subcontractors and materials suppliers and provision of surety bonds for this project is approximately HK\$10.3 million for the period from November 2025 to March 2026. As at the Latest Practicable Date, the Group is participating certain ongoing contracting service projects, with outstanding payment obligations to certain subcontractors and materials suppliers.

As at 31 August 2025, the Group held only approximately HK\$1.2 million in cash and bank balances, which was insufficient to settle payables to subcontractors and materials suppliers for these ongoing contracting service projects that were already due as at the Latest Practicable Date.

In light of the above, the Board is of the view that it is crucial to fulfill the payments obligations for the above mentioned recently awarded and ongoing participating contracting service projects in order to avoid the risk of affecting the progress and implementation, the Group intends to use approximately (i) HK\$10.3 million for Kwu Tung project; and (ii) HK\$3.4 million to settle the outstanding payment to subcontractors and materials suppliers, representing approximately 83.5% of the net proceeds from the Rights Issue accordingly upon receipt of the proceeds from the Rights Issue.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

LETTER FROM THE BOARD

The Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

If the Rights Issue is undersubscribed and the net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) is less than HK\$16.4 million, the net proceeds of the Rights Issue will be utilised in proportion to the above uses. As at the Latest Practicable Date, the Company has no intention to conduct further fundraising activities in near future.

Alternative fund-raising methods considered

The Directors have considered other financing alternatives including (i) other debt financing; (ii) equity fund raising such as placement of new Shares and open offer; and (iii) realisation of the Group's assets. The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole, for the reasons as follows:

- (a) As for other debt financing, as at the Latest Practicable Date, the Board has attempted to obtain loan financing from its principal bankers, and was advised that the Group does not have any material assets which the Group can charge to the banks as security, therefore, the credit line granted by the banks (if any) will not be sufficient to cover the Group's funding requirements. In addition, the Group has also attempted to obtain other loan financing from independent third parties, but the interest rate offered is generally over 10% per annum and substantially higher than the implied cost of capital of the Rights Issue of approximately 6.82% (being the total estimated expenses of the Rights Issue as percentage of gross proceeds).
- (b) As for placement of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company.
- (c) As for open offer, similar to a right issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.
- (d) As for realisation of the Group's assets, since the Group's total assets as at 31 March 2025 comprised substantially contract assets and life insurance policies (representing approximately 80% of total assets), it is impracticable for the Company to realise its assets for a significant amount of cash.

LETTER FROM THE BOARD

As such, the Board considers that equity financing would only incur an one-off implied cost of capital above and does not involve higher recurring interest expense and the financing process is usually simpler and quicker than negotiating bank borrowings, and therefore would allow our Group to react promptly to market conditions and business opportunities and the Rights Issue is more commercially favourable than debt financing considering the theoretical dilution effect is within the market range.

In addition, the Board considers that the terms of the Rights Issue and Placing Arrangement are fair and reasonable and in the best interest of the Company and Shareholders as a whole since (i) under the Rights Issue, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Group and the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Rights Shares; and (ii) the Shareholders who do not want to participate in the Rights Issue can dispose of the nil-paid Rights Shares in the secondary market for their own economic benefit.

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

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

GEM LISTING RULES IMPLICATIONS

Since the Rights Issue will increase either the number of the issued share capital or the market capitalisation of the Company by more than 50% within the 12 month period immediately the Latest Practicable Date, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue at the EGM. As at the Latest Practicable Date, the Company has no controlling Shareholder and Mr. Chan, who is the Chairman and an executive Director of the Company, is beneficially interested in 10,600,000 Shares (representing 13.25% of the issued Shares). Accordingly, Mr. Chan is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue at the EGM.

Save as disclosed above, no other Directors or chief executive of the Company and their respective associates are interest in the Shares as at the Latest Practicable Date. Accordingly, save as disclosed above, no other Shareholder is required to abstain from voting at the EGM. No Shareholder had informed the Company that he/she/it intends to vote in favour of or against the proposed resolution(s) in connection with the Rights Issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Company has not conducted any rights issue, open offer or specific mandate placings 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 as part of any rights issue, open offer and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 5 November 2025 to Monday, 10 November 2025 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Friday, 14 November 2025 to Thursday, 20 November 2025 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue, and the transactions contemplated hereunder.

The Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 10.29(1) of the GEM Listing Rules.

The notice convening the EGM to be held at Portion 2, 12/F, the Center, 99 Queen's Road Central, Hong Kong on Monday, 10 November 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e. 11:00 a.m. on Saturday, 8 November 2025, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

LETTER FROM THE BOARD

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, a Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) in printed form are expected to be despatched to the Qualifying Shareholders on Friday, 21 November 2025.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Rights Issue, the Placing Agreement, the Supplemental Placing Agreements and the transactions contemplated thereunder at the EGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be made available and/or despatched by the Company together with the PAL to the Qualifying Shareholders on or before Friday, 21 November 2025. The Company will send the PAL to the Qualifying Shareholders individually in printed form. Copies of the Prospectus Documents will also be made available on the websites of the Company at www.aeso.hk and the Stock Exchange at www.hkexnews.hk. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Excluded Shareholders for their information only but will not send the PAL to them.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this circular. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

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

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. Draco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 36 to 37 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from Independent Financial Advisor set out on pages 38 to 63 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

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

For and on behalf of the Board
Aeso Holding Limited
Chan Siu Chung
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Rights Issue.



AESO HOLDING LIMITED

艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

20 October 2025

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD
ON THE RECORD DATE
AND
NOTICE OF EGM**

We refer to the circular of the Company dated 20 October 2025 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

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

Draco Capital Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the Rights Issue, and the advice from Draco Capital, we are of the opinion that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you 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,

Independent Board Committee

Mr. Yeung Chun Yue, David

Ms. Lai Wing Sze

Ms. Yu Wan Ki

Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Draco Capital Limited setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



4/F Connaught Harbourfront House
35 Connaught Road West,
Sheung Wan, Hong Kong

20 October 2025

*To the Independent Board Committee and the Independent Shareholders of
Aeso Holding Limited*

Dear Sir or Madam,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 20 October 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

GEM LISTING RULES IMPLICATIONS

In accordance with Rule 10.29 of the GEM Listing Rules, as the Rights Issue will increase either the number of the issued share capital or the market capitalization of the Company by more than 50% within the 12 month period immediately the Latest Practicable Date, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favor of the Rights Issue.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Company has no controlling Shareholder and Mr. Chan, who is the Chairman and an executive Director of the Company, is beneficially interested in 10,600,000 Shares (representing 13.25% of the issued Shares). Accordingly, Mr. Chan is required to abstain from voting in favor of the proposed resolution to approve the Rights Issue at the EGM.

Save as disclosed above, no other Directors or chief executive of the Company and their respective associates are interested in the Shares as at the Latest Practicable Date. Accordingly, save as disclosed above, no other Shareholder is required to abstain from voting at the EGM. No Shareholder had informed the Company that he/she/it intends to vote in favor of or against the proposed resolution(s) in connection with the Rights Issue as at the Latest Practicable Date.

The Company has not conducted any rights issue, open offer or specific mandate placings 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 as part of any rights issue, open offer and/or specific mandate placings 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 10.44A of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki, has been established to make recommendations to the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder and as to the voting action therefor. We, Draco Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM 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

LETTER FROM INDEPENDENT FINANCIAL ADVISER

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 omission of other facts that would make any statements in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter.

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

LETTER FROM INDEPENDENT FINANCIAL ADVISER

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 March 2025 (the “**2025 Annual Report**”); (ii) the Placing Agreement; (iii) the recent announcements of the Company; and (iv) the information set out in the Circular. 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 17.92 of the GEM 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 recommendations to the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1 BACKGROUND INFORMATION OF THE COMPANY

1.1 INFORMATION ON THE GROUP

The Group is principally engaged in the premise enhancement solution service in Hong Kong by providing contracting service for (i) the internal fitting-out of newly built commercial premises and residential developments, and (ii) the renovation work as well as alteration and addition work for existing commercial premises.

1.2 FINANCIAL PERFORMANCE ON THE GROUP

With reference to the 2025 Annual Report, for the year ended 31 March 2025 (“**FY2025**”), as a contracting service provider which offers high quality and value-added services to cater for its clients’ specification and satisfaction, the Group received continuing support from its customers over the years. The Group has also built-up reputation which attract many new customers. Amongst the total revenue of approximately HK\$210.2 million for FY2025, approximately HK\$181.9 million (FY2024: approximately HK\$145.6 million) was contributed by fitting-out projects, whereas approximately HK\$28.3 million (2024: approximately HK\$94.1 million) was contributed by renovation projects.

During FY2025, the Company submitted tenders amounting to approximately HK\$1,380.5 million (FY2024: approximately HK\$1,981.5 million) which included 2 projects were awarded (FY2024: 3 projects were awarded) amounted to approximately HK\$65.7 million (FY2024: approximately HK\$221.7 million) included design and build of on-site sales office for the proposed residential development in Kai Tak; and fitting out

LETTER FROM INDEPENDENT FINANCIAL ADVISER

works to clubhouse and entrance lobbies in Kwun Tung. The Group is renowned for its service quality and project management efficiency, such that most of the tenders were invited by the sizable property developers in Hong Kong and sizeable PRC property developers in Hong Kong.

The Group's overall revenue from approximately HK\$239.7 million for FY2024 to approximately HK\$210.2 million for FY2025, representing an decrease of approximately 12.3%. The decrease in revenue was mainly due to the decrease in revenue recognized for the renovation projects during FY2025.

The revenue for the fitting-out projects for FY2025 was approximately HK\$181.9 million, represented an increase of approximately 24.9% from approximately HK\$145.6 million for FY2024.

The revenue for the renovation projects for FY2025 was approximately HK\$28.3 million, represented a decrease of approximately 69.9% from approximately HK\$94.1 million for FY2024.

The Group's gross profit decreased from approximately HK\$37.5 million for FY2024 to approximately HK\$36.8 million for FY2025. Such decline was mainly due to the decrease in revenue of renovation projects during FY2025.

As a result of the aforesaid, the earnings attributable to the owners of the Company was approximately HK\$5.9 million during FY2025 as compared with the earnings attributable to the owners of the Company of approximately HK\$8.1 million for FY2024, which was mainly due to the increase of administrative expenses during FY2025.

The Group's operation and investments were financed principally by cash generated from its business operations, bank borrowings and equity contribution from shareholders. As at 31 March 2025, the Group had net current assets of approximately HK\$50.2 million (31 March 2024: net current assets of approximately HK\$43.1 million), net assets of approximately HK\$51.7 million (31 March 2024: net assets of approximately HK\$45.8 million), bank balances and cash of approximately HK\$12.7 million (31 March 2024: approximately HK\$14.7 million) and pledged bank deposit of approximately HK\$0.9 million (31 March 2024: approximately HK\$0.9 million). The gearing ratio of the Group as at 31 March 2025, which was the net debt of the Group divided by its total equity, was 1.011 (31 March 2024: 0.931).

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

As disclosed in the Board Letter, assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date and the Rights Shares are fully subscribed, it is expected that the gross proceeds from the Rights Issue will be HK\$17.6

LETTER FROM INDEPENDENT FINANCIAL ADVISER

million and the estimated net proceeds from the Rights Issue, after the deduction of the costs and expenses relating to the Rights Issue, will be approximately HK\$16.4 million (equivalent to a net price of approximately HK\$0.1025 per Rights Share).

With reference to the Board Letter, the Company intend to apply the net proceeds as follows:

- (1) approximately HK\$13.7 million for participating some contracting service projects which requires financial resources; and
- (2) approximately HK\$2.7 million as general working capital of the Group.

In the event that there is an undersubscription of the Rights Issue, and the Unsubscribed Shares and the ES Unsold Shares are not fully placed, the net proceeds of the Rights Issue will be utilized in proportion to the above uses. As at the Latest Practicable Date, the Company has no intention to conduct further fundraising activities in near future.

Based on our review on the 2025 Annual Report, we note that the Group recorded positive net cash generated from operating activities for FY2024 and FY2025 and the Group will continue focusing on the opportunities in renovation works and fitting-out works in Hong Kong, especially renovation projects of entertainment industry such as cinema or museums and leisure facilities such as private club houses. Meanwhile, based on our discussion with the Management, we understand that the Board is optimistic about the growth of the business and will continue to tender for new fitting-out projects including those for mainland based property developers which are currently very active in new properties development in Hong Kong. During FY2025, the Group submitted tenders amounting to approximately HK\$1,380.5 million (FY2024: approximately HK\$1,981.5 million) which included 2 projects were awarded (FY2024: 3 projects were awarded) amounted to approximately HK\$65.7 million (FY2024: approximately HK\$221.7 million) included design and build of on-site sales office for the proposed residential development in Kai Tak; and fitting out works to clubhouse and entrance lobbies in Kwun Tung. The Group is renowned for its service quality and project management efficiency, such that most of the tenders were invited by the sizeable property developers in Hong Kong and sizeable PRC property developers in Hong Kong.

We further noted from the 2025 Annual Report that the Group recorded liabilities of approximately HK\$109.4 million and current liabilities of approximately HK\$104.9 million as at 31 March 2025. As at 31 March 2025, the Group's liabilities mainly comprised of account and other payables of approximately HK\$40.9 million and borrowings from the bank and independent third parties of approximately HK\$60.0 million.

Based on our discussions with the Management, the Group generally engages subcontractors to perform most of the site works and materials suppliers to supply materials for its projects.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Group has been awarded one project recently from property developer through tendering but had not yet commenced, with an aggregate contract sum of approximately HK\$52.3 million. The following table sets forth the project but had not yet commenced as at the Latest Practicable Date.

Project	Scope of works	Expected project duration	Contract sum	Estimated amount of upfront costs
A residential project in Kwu Tung	responsible for of fitting out works to clubhouse and entrance lobbies	1 year	HK\$52.3 million	HK\$10.3 million

Based on the Group's estimated construction schedule for the above-mentioned project, the estimated payment requirement for the upfront costs for subcontractors and materials suppliers and provision of surety bonds for this project is approximately HK\$10.3 million for the period from November 2025 to March 2026. As at the Latest Practicable Date, the Group is participating in certain ongoing contracting service projects, with outstanding payment obligations to certain subcontractors and materials suppliers.

The Company further stated that, as at 31 August 2025, the Group held only approximately HK\$1.2 million in cash and bank balances, which was insufficient to settle payables to subcontractors and materials suppliers for these ongoing contracting service projects that were already due as at the Latest Practicable Date.

In light of the above, the Board is of the view that it is crucial to fulfill the payments obligations for the above mentioned recently awarded and ongoing participating contracting service projects in order to avoid the risk of affecting the progress and implementation, the Group intends to use approximately (i) HK\$10.3 million for Kwu Tung project; and (ii) HK\$3.4 million to settle the outstanding payment to subcontractors and materials suppliers, representing approximately 83.5% of the net proceeds from the Rights Issue accordingly upon receipt of the proceeds from the Rights Issue.

As advised by the Management, the Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

In assessing the fairness and reasonableness of the proposed uses of the net proceeds, we have also reviewed the projections provided by the Company, which detail the estimated additional amounts to be utilized for forthcoming projects, together with the timeline for usage of the proceeds from the Rights Issue. We consider these projections to be aligned with the Group's operational needs, which supports the potential for efficient deployment of funds to enhance revenue growth and reduce reliance on borrowings.

In addition, to assess the sector outlook and market trends in Hong Kong's premise enhancement solution services, we have reviewed publicly available industry reports and market analyses. As stated in the report titled "Savills Projects Office Fit Out Guide 2025" (<https://pdf.savills.asia/fit-out-guide/savills-projects-office-fitout-v5-2.pdf>), published in 2025 and produced by Savills Property Services Company Limited, a global real estate services firm offering a comprehensive range of professional services, including property management, leasing, investment advice, and valuation, the construction market in Hong Kong has undergone significant changes over the past five years, particularly in office fit-out projects. From 2019 to 2020, the average cost per square foot was relatively high. This period marked the beginning of a steady increase in construction costs. Between 2021 and 2022, costs surged significantly. The trend continued into 2023 and 2024, with costs reaching even higher levels. Several factors contributed to these trends, including increased material prices, labour shortages, and heightened demand for construction services. Additionally, the government's focus on infrastructure development and urban renewal projects has driven up costs. In summary, the construction market in Hong Kong has experienced rising expenses. These trends highlight the increasing financial demands of office fit-out projects in the region. Project stakeholders should be prepared for these financial challenges and plan accordingly to manage their budgets effectively. Among the report, it anticipates increase in upfront capital expenditure incorporating sustainability and wellness certification for new office spaces in response to environmental, social and governance (ESG) focus in recent years. Moreover, technology integration driving addition costs and variables to budgeting in areas of information technology, audiovisual systems and security. As such, we consider that allocating the proceeds to support participation in additional projects amid these rising costs is fair and reasonable.

Considering the above, we concur with the view of the Company that the Rights Issue represents an opportunity to raise additional funds for the Company to participate in additional contracting service projects, which is in line with the Group's long-term development goals and business development strategies, and are in the interests of the Company and the Shareholders as a whole and the intended use of proceeds is fair and reasonable.

3 OTHER FINANCING ALTERNATIVES

Based on our discussion with the Management, the Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Board is of the view that additional debt financing will increase the gearing ratio of the Group and result in on-going interest expenses of the Group which may in turn adversely affect the liquidity position of the Group. In assessing the fairness and reasonableness of the alternative financing methods as compared to the Rights Issue, we have reviewed a summary of the Group's existing loans outstanding and available facilities, which indicate that they bear significant interest rates and some are subject to specific usage restrictions, thereby limiting flexibility and potentially increasing financial burdens through higher interest incurred and covenant compliance obligations. We consider that additional debt financing would further elevate the Group's gearing ratio, impose ongoing interest expenses that could adversely impact cash flows and profitability, and expose the Group to interest rate volatility and refinancing risks.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. Given placing of new Shares under general or specific mandate is way of equity funding by issuing shares to specific investors, we concur with the view of the Company that it is less favourable than the Rights Issue as it would dilute the shareholdings of all existing Shareholders without providing them any opportunity to participate or maintain their pro-rata interests.

As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. We concur with the view of the Company that an open offer is less favourable than the Rights Issue as Qualifying Shareholders who do not intend to participate cannot renounce or trade their entitlements in the open market to realize any potential value from the rights (as nil-paid rights in a rights issue), resulting in pure dilution without compensation, which could be particularly disadvantageous in markets where rights may have trading value.

As expressed by the Management, the Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increasing the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlements under the Rights Issue in full.

Having considered the above, we concur with the view of the Directors that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

4 PRINCIPAL TERMS OF THE RIGHTS ISSUE

Set out below is a summary of the principal terms of the Rights Issue, further details of which are set out in the Board Letter:

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.110 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	80,000,000 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 160,000,000 Rights Shares with an aggregate nominal value of US\$1.6 million, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date
Maximum number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	Up to 240,000,000 Shares, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date
Maximum gross amount to be raised	:	Up to HK\$17.6 million before expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date
Maximum net amount to be raised	:	Up to approximately HK\$16.4 million after expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.1025 per Rights Share, if fully subscribed

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Assuming that there is no change in the total number of Shares in issue on or before the Record Date and that no Shares (other than the Rights Shares) will be allotted, issued and/or repurchase on or before completion of the Rights Issue, the maximum 160,000,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represent (i) 200.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 66.7% 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 acceptances of the provisionally allotted Rights Shares. There will be no excess application arrangements in relation to the Rights Issue as stipulated under GEM Listing Rule 10.31(1)(a) of the GEM Listing Rules. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Mr. Chan for which subscription of Rights Shares will be subject to the Shareholder Irrevocable Undertaking as set out in the section headed “The Shareholder Irrevocable Undertaking” in the Board Letter, will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain 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.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not cause the Company failing to meet the public float requirement under Rule 11.23(7) of the GEM Listing Rules.

For further details on the principal terms of the Rights Issue, please refer to the section headed “PROPOSED RIGHTS ISSUE” in the Board Letter.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Assessment of the principal terms of the Rights Issue

The Subscription Price

The Subscription Price of HK\$0.110 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price of HK\$0.110 per Rights Share represents:

- (i) a discount of approximately 28.57% to the closing price of HK\$0.154 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 25.7% to the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 10.35% to the theoretical ex-rights price of approximately HK\$0.1227 per Share based on the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 23.1% to the average of the closing prices of approximately HK\$0.143 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 26.0% to the average of the closing prices of approximately HK\$0.1486 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 83.0% to the audited net asset value per Share as at 31 March 2025 of approximately HK\$0.6468; and
- (vii) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 17.12%, based on the theoretical diluted price of approximately HK\$0.1227 per Share to the benchmarked price of approximately HK\$0.148 per Share, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Rights Issue will 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 10.44A of the GEM Listing Rules.

As disclosed in the Board Letter, the Subscription Price was determined by the Company taking into account, among other things, (i) the recent market price of the Shares that fluctuated at between HK\$0.136 per Share and HK\$0.194 per Share since August 2025 and up to the date of the First Announcement; (ii) the price performance of the Shares was not generally in line with the growth of the prevailing market conditions and the aforesaid recent price range of the Shares is still relatively low when comparing with the Share price since the listing of the Company (which means the Share price has underperformed and larger discount is required to attract investors to participate in the Rights Issue); (iii) the average discount of the subscription price to the closing price on the respective last trading day as disclosed by 17 companies listed on the Stock Exchange (the “Comparable Cases” as listed in the Board Letter) in recent rights issue in the market of around 25% (which is comparable to the Rights Issue); and (iv) the amount of funds and capital needs and the reasons for the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Board Letter. All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

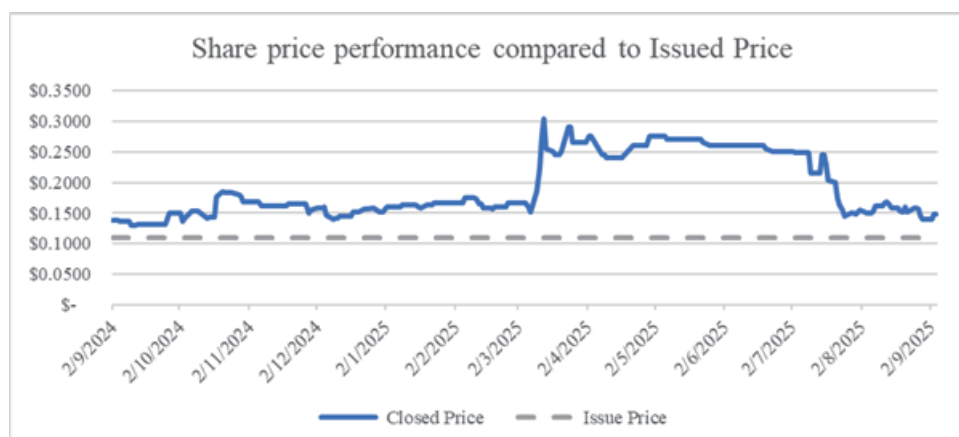
Please refer to the section headed “PROPOSED RIGHTS ISSUE – Subscription Price” in the Board Letter for further information of the assessment by the Board on the determination of the Subscription Price.

The Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the independent financial adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (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.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Comparison with historical closing prices of the Shares

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices and trading volume of the Shares from 1 September 2024 up to and including the Last Trading Day (the “**Review Period**”) (being a period of approximately 12 months prior to and including the Last Trading Day) and compared with the Subscription Price. We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Announcement and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represent a fair market value of the Company the Shareholders expected, while that after the Announcement, the value may have taken into account the potential upside of the Rights Issue which may distort the analysis. The chart below illustrates the adjusted daily closing price per the Share (“**Closing Price**”) versus the Subscription Price of HK\$0.110 per Rights Share during the Review Period:



Source: website of the Stock Exchange

As shown in the chart above, during the Review Period, the average closing price was approximately HK\$0.192 per Share (the “**Average Closing Price**”). The daily closing price ranged from HK\$0.130 per Share recorded during the period from 10 September 2024 to 12 September 2024 (the “**Lowest Closing Price**”) to HK\$0.305 per Share recorded on 13 March 2025 (the “**Highest Closing Price**”). We note that Shares were traded above the Subscription Price in the whole Review Period. The Subscription Price of HK\$0.110 represents (i) a discount of approximately 15.4% to the Lowest Closing Price; (ii) a discount of approximately 63.9% to the Highest Closing Price; and (iii) a discount of approximately 42.8% to the Average Closing Price. As discussed in the section headed “Comparison with recent rights issues transactions” below, we note that it is a common practice (22 out of 26 Comparables) to set the subscription price at a discount to the prevailing trading prices of the relevant shares in order to increase the attractiveness and encourage shareholders to participate in the right issues.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Historical trading liquidity of the Shares

Month/period	Total trading volume (no. of shares)	No. of trading days	Average daily trading volume (no. of shares)	Percentage of the average daily trading volume to the total number of issued Shares (Note 1)
2024				
September	130,000	19	6,842	0.0086%
October	652,500	21	31,071	0.0388%
November	72,000	21	3,429	0.0043%
December	145,000	20	7,250	0.0091%
2025				
January	135,000	19	7,105	0.0089%
February	90,000	20	4,500	0.0056%
March	3,942,000	21	187,714	0.2346%
April	109,000	19	5,737	0.0072%
May	–	20	–	0.0000%
June	3,000	21	143	0.0002%
July	3,308,500	22	150,386	0.1880%
August	4,248,000	21	202,286	0.2529%
September (up to the Last Trading Day)	285,500	4	71,375	0.0892%

Source: website of the Stock Exchange

Note:

1. Based on the number of total issued Shares during the Review Period, i.e. 80,000,000 Shares.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As shown in the table above, the average daily trading volume of the Shares in each month ranged from nil Shares in May 2025 to 202,286 Shares in August 2025 during the Review Period, representing approximately nil to approximately 0.2529% of the total number of issued shares as at the end of the month/period, respectively.

Given such relatively thin liquidity of the Shares during the Review Period, it would be difficult for the Shareholders to acquire a substantial block of the Shares in the open market without exerting a significant impact on the Share price. We consider that the prices, liquidity and general price trend of the Shares during the Review Period should have reflected market evaluation of the recent business performance of the Group.

In view of the above, we consider that it is fair and reasonable for the Company to determine the Subscription Price with reference to among others, (i) the recent market price of the Shares that fluctuated at between HK\$0.136 per Share and HK\$0.194 per Share since August 2025 and up to the date of the First Announcement; (ii) the price performance of the Shares was not generally in line with the growth of the prevailing market conditions and the aforesaid recent price range of the Shares is still relatively low when comparing with the Share price since the listing of the Company (which means the Share price has underperformed and larger discount is required to attract investors to participate in the Rights Issue); (iii) the average discount of the subscription price to the closing price on the respective last trading day as disclosed by the Comparable Cases in recent rights issue in the market of around 25% (which is comparable to the Rights Issue); and (iv) the amount of funds and capital needs and the reasons for the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Board Letter.

Comparison with recent 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 exercises, announced by the companies listed on the Stock Exchange during the period from 1 May 2025 (i.e. approximately 4 months prior to the Last Trading Day) to the Last Trading Day (the “**Comparison Period**”) to understand the trend of the recent market practice. Based on our research, we have identified a total of 26 rights issue comparables (the “**Comparables**”) during the Comparison Period.

Although the Comparables include rights issues in different scale, engaged in different business or have different financial performance and funding needs from the Company, having considered (i) all of the Comparables and the Group are listed on the Stock Exchange; (ii) our analysis is mainly concerned with the principal terms of the rights issues and we are not aware of any established evidence showing any correlation between scale of the rights issue and its underlying principal terms; (iii) including transactions conducted by the Comparables with different funding needs and business represents a more

LETTER FROM INDEPENDENT FINANCIAL ADVISER

comprehensive overall market sentiment in our comparable analysis; (iv) a 4-month period for the selection of the Comparables has generated a reasonable and meaningful number of sample size of 26 Hong Kong listed issuers to reflect the market practice regarding recent rights issue; and (v) the 26 Comparables identified during the aforementioned period were exhaustively included without any artificial selection or filtering on our part so the Comparables represent a true and fair view of the recent market trends for similar transactions conducted by other Hong Kong listed issuers, we consider that the Comparables are fair and representative samples.

Based on the above, we are of the view that our comparable analysis based on the above criteria is meaningful for us to form our view regarding the fairness and reasonableness of the Subscription Price. To the best of our knowledge and as far as we are aware of, the Comparables represent an exhaustive list of all relevant companies fitting our search criterion as mentioned above, and we consider that such Comparables can provide a reference on the recent rights issues given the sufficient number of transactions in such period resulting in a reasonable sample size.

It should be noted that all the subject companies constituting the Comparables may have different principal activities, market capitalization, profitability and financial position as compared with those of the Company, and the circumstances leading to the subject companies to proceed with the rights issues may also be different from that of the Company.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following table sets forth the relevant details of the Comparables:

Company name	Stock Code	Date of announcement	Market capitalization as at the date of the respective announcement	(Discount)/premium of subscription price (to)/over the closing price on the date of announcement (%)	(Discount)/premium of subscription price (to)/over the closing price of 5-day average (%)	(Discount)/premium of subscription price (to)/over the consolidated net asset value per share (%)	Theoretical dilution effect (%)	Potential maximum dilution of shareholding (%)	Gross proceed (HK\$ million)	Excess application	Fully Underwritten	Placing Commission (%)	Status of the respective rights issue as at the Last Trading Date
(Note 1)													
May Ilea Cloud Holdings Limited	6696	2025-09-04	58.56	(22.08)	(24.56)	(90.53)	(20.63)	85.71	273.80	N	N	0.2	In progress
Jisheng Group Holdings Limited	8133	2025-08-26	13.36	(14.29)	(14.29)	(45.45)	(10.57)	75.00	54.37	N	N	1.5	In progress
China Energy Development Holdings Limited	228	2025-08-14	596.10	(19.90)	(19.90)	(73.34)	(6.63)	33.33	238.70	Y	N	N/A	In progress
China Information Technology Development Limited	8178	2025-08-13	210.27	(55.05)	(55.24)	(63.00)	(15.12)	27.27	38.04	Y	Y	7.07	Completed
Capital VC Limited	2324	2025-08-13	74.27	(27.30)	(24.80)	(82.00)	(13.60)	50.00	54.00	N	N	3.0	In progress
Value Convergence Holdings Limited	821	2025-08-06	116.26	(4.26)	(5.86)	(71.06)	(3.11)	66.67	245.10	Y	N	2.5	In progress
TOMO Holdings Limited	6928	2025-08-04	213.75	(62.10)	(63.20)	25.00	(21.30)	33.33	40.50	N	N	1.0	In progress
Da Yu Financial Holdings Limited	1073	2025-07-30	338.13	(16.67)	(18.82)	(45.45)	(6.67)	33.33	136.70	Y	N	N/A	In progress
Shin Hwa World Limited	582	2025-07-25	277.51	(34.21)	(33.07)	(97.30)	(17.11)	50.00	182.57	Y	Y	1.0	In progress
Fume Machine Limited	1401	2025-07-23	1,003.00	(72.28)	(72.28)	(28.61)	(24.09)	33.33	140.00	N	N	1.0	In progress
XJ International Holdings Co., Ltd.	1765	2025-07-10	1,554.52	5.82	6.95	(83.61)	N/A	11.11	205.62	N	Y	0.0	In progress
Aleo Holdings Limited	328	2025-07-08	458.23	(19.00)	(19.00)	N/A	(15.52)	80.00	148.47	N	N	1.5	In progress
Saneey Group Limited	2459	2025-07-07	205.20	(55.60)	(56.30)	(89.00)	(18.80)	33.33	45.60	N	N	3.5	Completed
Sino Syntek Holdings Limited	8006	2025-06-25	13.28	(11.10)	(12.10)	(52.40)	(6.67)	60.00	17.70	N	N	2.5	In progress
Rusecomm Group Holdings Limited	1679	2025-06-17	32.99	(22.48)	(21.63)	N/A	(18.73)	83.33	127.86	N	N	0.5	In progress
Greenheart Group Limited	94	2025-06-10	74.20	(9.25)	(4.97)	(88.80)	(3.00)	33.33	33.67	N	N	2.0	Completed
Prestone Capital Limited	804	2025-06-10	68.22	(40.71)	(41.55)	N/A	(24.93)	60.00	60.70	N	N	5.0	In progress
Hwbangtech International Holding Limited	2440	2025-06-04	615.75	(49.70)	(50.00)	50.20	(16.70)	33.33	154.80	Y	N	N/A	Completed
Lyji Technology Holdings Inc.	1745	2025-06-02	447.11	(32.10)	(33.10)	(72.60)	(11.30)	33.33	151.80	Y	Y	N/A	Completed
Grand Talents Group Holdings Limited	8516	2025-05-23	16.44	(33.00)	(33.00)	(38.15)	(23.57)	71.43	27.50	N	N	3.0	In progress
China Health Group Limited	673	2025-05-22	68.83	(28.60)	(37.10)	12.40	(23.60)	23.08	14.98	N	Y	2.0	In progress
Zhongzheng International Company Limited	943	2025-05-15	128.24	0.00	0.00	(54.50)	N/A	33.33	114.60	N	Y	2.0	Completed

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Company name	Stock Code	Date of announcement	Market capitalization as at the date of the respective announcement	Basis of entitlement	(Discount)/ premium of subscription price (to)/over the closing price on the date of announcement (%)	(Discount)/ premium of subscription price (to)/over the closing price of 5-day average (%)	(Discount)/ premium of subscription price (to)/over the consolidated net asset value per share (%)	Theoretical dilution effect (Note 2 & 3)	Potential maximum dilution of shareholding (%)	Gross proceed (HK\$ million)	Excess application	Fully Underwritten	Placing Commission (%)	Status of the respective rights issue as at the Last Trading Date
(Note 1)														
Shougang Century Holdings Limited	103	2025-05-13	951.77	3 for 20	12.30	14.30	(40.10)	N/A	13.04	160.00	Y	N	N/A	Completed
Capital Realm Financial Holdings Group Limited	204	2025-05-13	49.81	3 for 1	4.17	21.36	(86.28)	N/A	75.00	135.70	N	N	3.0	Completed
China Sci-Tech Industrial Investment Group Limited	339	2025-05-09	35.42	1 for 2	(43.10)	(47.40)	N/A	(16.20)	33.33	10.08	N	N	1.5	Completed
SEEC Media Group Limited	205	2025-05-07	106.00	1 for 2	(23.61)	(26.17)	(53.78)	N/A	33.33	40.50	N	N	3.0	Completed
The Company				Average	(25.93)	(25.84)	(53.11)	(15.14)	46.09				2.23	
					Maximum	12.30	50.20	(3.60)					7.07	
					Minimum	(72.28)	(97.30)	(24.93)	11.11				0.00	
					Median	(23.05)	(24.68)	(58.75)	33.33				2.00	
				2 for 1	(25.70)	(23.10)	(83.00)	(17.12)	66.67		N	N	2.5	

Source: website of the Stock Exchange

Note:

- the market capitalization of the respective comparables at as the date of the respective announcement equals to the respective shares in issued times the respective closing price per share as quoted on the Stock Exchange on the respective last trading day,
- As defined under Rule 10.44A of the GEM Listing Rules or Rule 7.27B of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").
- If the respective "theoretical diluted price" (as defined under Rule 10.44A of the GEM Listing Rules of the Listing Rules) of the respective comparables is equal to or a premium to the respective "benchmark price" (as defined under Rule 10.44A of the GEM Listing Rules of the Listing Rules), there is no theoretical dilution effect of the respective comparables. It will then be marked as "N/A" in the comparables table and will not take into account in the respective calculation.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As illustrated in the table above, we note that the subscription price to the closing price on the respective last trading day of the respective Comparables ranges from a discount of approximately 72.28% to a premium of approximately 12.30%, with an average and median figure being a discount of approximately 25.93% and 23.05% respectively, and a standard deviation of approximately 21.71%. As all Comparables lie within +/- three (3) standard deviations from the average (i.e., from approximately discount of approximately 91.06% to a premium of approximately 39.20%), we consider there are no outliers among the Comparables. The Subscription Price's discount to closing price on the Last Trading Day of approximately 25.70% therefore falls within the range of the discount to the last trading day of the Comparables and represents a similar discount as compared to the average and median figure thereof and is far lower than the maximum discount figure thereof.

We note that the subscription price to the average closing price of the last five trading days of the respective Comparables ranges from a discount of approximately 72.28% to a premium of approximately 21.36%, with an average and median figure being a discount of approximately 25.84% and 24.68% respectively. The Subscription Price's discount to the average closing price for the five consecutive trading days up to and including the Last Trading Day of approximately 23.10% therefore falls within the range of discount to the average closing price of the last five trading day of the Comparables and represents a similar discount as compared to the average and median figure thereof and is far lower than the maximum discount figure thereof.

On the other hand, we note that the subscription price to the consolidated net asset value per share of the respective Comparables ranges from a discount of approximately 97.30% to a premium of approximately 50.20%, with an average and median figure being a discount of approximately 53.01% and 58.75% respectively. The Subscription Price's discount to the consolidated net asset value per share of approximately 83.00% therefore falls within the range of discount to the consolidated net asset value per share of the Comparables. In addition, we note that 5 out of 26 Comparables (representing approximately 19.23%) have a discount to the consolidated net asset value per share higher than that of the Rights Issue of the Company, representing nearly one-fifth of the Comparables, emphasizing that a discount of this magnitude is representative of a substantial subset of recent market transactions and not an outlier, which we consider to be a meaningful proportion of the Comparables and demonstrates that such a level of discount is not uncommon in the market, thereby supporting the fairness and reasonableness of the Subscription Price despite it being higher than the average and median of the Comparables.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Management further expresses that although the Subscription Price appears to be at a substantial discount to net asset value per Share as at 31 March 2025, the Board considers that it is not the most relevant benchmark to assess the Subscription Price as (i) substantial portion (around two-third) of the Company's total assets is contract assets; and (ii) closing prices of the Shares have been generally at significant discount to the net asset value per Share in the open market ranging from approximately 57.5% to 78.5% after the financial year ended 31 March 2023 which indicates that the market has already imputed a significant discount on the price of the Shares to the Company's net asset value making it a less relevant benchmark for pricing the Rights Issue. Given the recent market price of the Shares have already reflected the expectations of the investors to the Company such as financial results and corporate actions of the Company and the recent market sentiment, the Board considers that recent market price of the Shares to be relevant for our assessment to the fairness and reasonableness of the Subscription Price.

With reference to our analysis as stated in the section headed "Comparison with historical closing prices of the Shares" above in this letter, we note that during the whole Review Period, the price of the Shares persistently lay below the consolidated net asset value per Share of the Company (i.e. HK\$0.6468 per Share), which (i) the Highest Closing Price (i.e. HK\$0.3050) represents a discount of approximately 52.8% to the net asset value per Share; (ii) the Lowest Closing Price (i.e. HK\$0.1300) represents a discount of approximately 79.9% to the net asset value per Share; and (iii) the Average Closing Price (i.e. HK\$0.1920) represents a discount of approximately 70.3% to the net asset value per Share. Given that the price of the Shares is already trading at a substantial discount during the Review Period, with an average of approximately 70.3%, we consider that such consistent discount to the net asset value per Share reflects the market's view on the price of the Shares after taking into account of the Company's assets and indicate that the market has already imputed a significant discount on the price of the Shares to the Company's net asset value, making the net asset value a less relevant benchmark for pricing the Rights Issue compared to recent market prices.

In determining the current subscription ratio and the Subscription Price, as advised by the Management, we understand that the Subscription Price was determined by the Company taking into account, among other things, (i) the recent market price of the Shares that fluctuated at between HK\$0.136 per Share and HK\$0.194 per Share since August 2025 and up to the date of the First Announcement; (ii) the price performance of the Shares was not generally in line with the growth of the prevailing market conditions and the aforesaid recent price range of the Shares is still relatively low when comparing with the Share price since the listing of the Company (which means the Share price has underperformed and larger discount is required to attract investors to participate in the Rights Issue); (iii) the average discount of the subscription price to the closing price on the respective last trading day as disclosed by the Comparable Cases in recent rights issue in the market of around

LETTER FROM INDEPENDENT FINANCIAL ADVISER

25% (which is comparable to the Rights Issue); and (iv) the amount of funds and capital needs and the reasons for the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Board Letter.

Based on our discussion with the Management, the Company is of the view that (i) as it is a common practice for listed companies to issue rights shares at a discount to the prevailing market price in order to enhance the attractiveness of the rights issue, it is beneficial to the Company to follow the market practice to set the Subscription Price at a discount to the prevailing market price of the Shares to encourage the Shareholders to participate in the future growth of the Group; and (ii) as the Rights Shares are offered to all Qualifying Shareholders and each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company, it is reasonable to set the Subscription Price at a discount to the recent market price of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue.

It is noted that the potential maximum dilution on shareholding of the Comparables ranged from approximately 11.11% to approximately 83.30% with an average of approximately 43.23% and a median of approximately 33.33%. The potential maximum dilution effect of the Rights Issue of approximately 75.00% therefore falls within the range of the Comparables, we consider the potential maximum dilution effect of the Rights Issue acceptable.

Based on our discussion with the Management, in view of the basis of determination of the Subscription Price and the imminent need of capital for the purposes as detailed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Board Letter, the Board considers that it is necessary to set the Rights Issue on a 2-to-1 ratio in order to raise sufficient equity capital. As the theoretical dilution effect is resulted from the basis of entitlement (i.e. the number of Rights Shares available for subscription.) and the discount of the Subscription Price to the benchmarked price, the Board has also reviewed the theoretical dilution effect in the Comparable Cases immediately before the day of the First Announcement and noted that the theoretical dilution effect of the Rights Issue of approximately 17.12% is within the range of the Comparable Cases from nil to approximately 24.85% but slightly above the median of approximately 16.20% for the Comparable Cases. Given such theoretical dilution effect is necessitated by the Company’s funding needs and below 25% as required under the GEM Listing Rules, the Board considers that it is justifiable even slightly above the market median.

Among our analysis on the Comparables, it is noted that the theoretical dilution effect (as defined in Rule 10.44A of the GEM Listing Rules) of the Comparables ranged from a discount of approximately 24.93% to a discount of approximately 3.00% (Comparables with no theoretical dilution effect are exclude) with an average discount of approximately 15.14% and a median discount of approximately 16.20%. The Rights Issue’s theoretical

LETTER FROM INDEPENDENT FINANCIAL ADVISER

dilution effect of a discount of approximately 17.12% therefore falls within the range and represents a slightly higher discount than the average and median figure thereof. As the theoretical dilution effect of the Rights Issue is below 25%, it is in compliance with Rule 10.44A of the GEM Listing Rules. In addition, given that the Rights Issue's theoretical dilution effect of a discount of approximately 17.12% falls within the respective range of the Comparables, we consider that such theoretical dilution effect is in line with the market practice, is not out of the ordinary and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the above, we consider that the principal terms of the Rights Issue (including the Subscription Price) and potential dilution effect of the Rights Issue are fair and reasonable to the Shareholders and in the interest of the Company and the Shareholders as a whole.

Absence of excess application arrangement

As mentioned in the Board Letter, Qualifying Shareholders will not be entitled to subscribe for any Rights Shares in excess of their respective entitlements. Based on our analysis on the Comparables, we noted that 18 out of 26 Comparables, did not offer excess application as part of the rights issue. On this basis, we consider the absence of excess application to be not uncommon market practice. Furthermore, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rate shareholding interests in the Company, for Qualifying Shareholders who accept their respective entitlements under the Rights Issue in full, they would be able to maintain their respective existing shareholdings in the Company after completion of the Rights Issue. As such, we considered that the absence of excess application arrangement is acceptable so far as the Independent Shareholders are concerned.

Placing commission

As set out in the Board Letter and as advised by the Management, the terms of the Placing Agreement, including the rate of placing commission, were determined after arm's length negotiation between the Company and the Placing Agent with reference to the market comparable, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. For further details of the principal terms of the Placing Agreement, please refer to section headed "THE PLACING AGREEMENT" in the Board Letter. The Placing Agent to the Company will receive a 2.50% of the amount which is equal to the Placing Price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement. According to the Comparables as set out in the above table, the placing commission of the Comparables ranged from 0.00% to 7.07%, with the average and median of 2.23% and 2.00%, respectively. As the placing commission is in between the range of the Comparables, we

LETTER FROM INDEPENDENT FINANCIAL ADVISER

consider that the placing commission of 2.50% borne by the Company in the Rights Issue is in line with market practice. Based on the above, we are of the view that the placing commission is in the interests of the Company and Independent Shareholders as a whole.

5 DILUTION EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING OF THE COMPANY

As at the Latest Practicable Date, the Company has 80,000,000 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

Shareholders	As at the Latest Practicable Date and immediately prior to completion of the Rights Issue		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	(note)	(note)	(note)	(note)	(note)	(note)	(note)	(note)
Mr. Chan	10,600,000	13.25	31,800,000	13.25	29,728,696	29.99	31,800,000	13.25
Public Shareholders	69,400,000	86.75	208,200,000	86.75	69,400,000	70.01	69,400,000	28.92
Independent places	—	—	—	—	—	—	138,800,000	57.83
Total	80,000,000	100.00	240,000,000	100.00	99,128,696	100.00	240,000,000	100.00

Note: The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Qualifying Shareholders who do not take up the Rights Issue can, subject to the then prevailing market conditions, consider selling their nil-paid rights to subscribe for the Rights Shares in the market. However, they should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue and the Placing.

For those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue and the Placing will be diluted by up to a maximum of approximately 57.83%.

Having considered (i) the dilution effect is not prejudicial as all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; and (ii) the Qualifying Shareholders have the opportunity to realize their nil-paid rights to subscribe for the Rights Shares in the market, subject to availability, we are of the view that the potential dilution effect on the shareholding, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Rights Shares, is acceptable and justifiable.

6 POSSIBLE FINANCIAL EFFECT OF THE RIGHTS ISSUE

Net tangible assets

According to the "UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP" set out in Appendix II to the Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company was approximately HK\$51.744 million as at 31 March 2025, while the unaudited consolidated net tangible asset per share before completion of the Rights Issue was approximately HK\$0.65; 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\$68.144 million, while the unaudited pro forma adjusted consolidated net tangible asset per share immediately after completion of the Rights Issue was approximately HK\$0.28.

Such a decrease in net tangible asset per share is primarily due to the increase in the number of shares outstanding upon completion of the Rights Issue. Given that the Rights Share are issued at Subscription Price, which are at a discount as compared to the unaudited consolidated net tangible asset per existing share before completion of the Rights Issue, upon the completion of the Rights Issue, the share base of the Company shall increase and dilute the net tangible asset value per share. It is worth noting that while the net tangible

LETTER FROM INDEPENDENT FINANCIAL ADVISER

asset per share immediately after completion of the Rights Issue shall decrease, the overall net tangible assets of the Group attributable to the owners of the Company shall increase and indicate an expansion in total equity of the Company.

As such, we are of the view that despite the decrease in net tangible assets per share as a result of the Rights Issue, the Rights Issue is expected to have a positive impact on the financial position of the Group.

Liquidity

According to the 2025 Annual Report Results, as at 31 March 2025, the Group's bank balances and cash of approximately HK\$12.7 million and the Group had net current assets of approximately HK\$50.2 million. Immediately upon completion of the Rights Issue, the bank balances and cash and the net current asset of the Group are expected to increase by the expected net proceeds from the Rights Issue of approximately HK\$16.4 million. As such, the liquidity of the Group will be improved upon the completion of the Rights Issue.

After taking into consideration the above, particularly the improvement in liquidity position of the Group, we are of the view that the Rights Issue is in the interest of the Company and the Shareholders as a whole.

Shareholders should note that the aforesaid analyses are for illustrative purpose only and do not purport to represent the financial position of the Group upon completion of the Rights Issue and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of (i) the financial position of the Company as at 31 March 2025 or any future date; or (ii) the net assets per Share of the Company as at 31 March 2025 or any future date.

OPINION AND RECOMMENDATION

Having taken into consideration of the following principal factors and reasons regarding the major terms of the Rights Issue including:

- (i) the proceeds from the Rights Issue for supporting the Group to participate in additional contracting service projects which required financial resources, under section headed "2. REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" above in this letter;
- (ii) taking into account the benefits and cost of each of the alternatives, the Rights Issue represents a more cost effective, efficient and beneficial mean to the Company and the Shareholders as a whole as compared to raising fund by other means as stated under the paragraph headed "3. OTHER FINANCING ALTERNATIVES" above in this letter;

LETTER FROM INDEPENDENT FINANCIAL ADVISER

- (iii) the Subscription Price is fair and reasonable in our view for the reasons set out in earlier sections headed “4 PRINCIPAL TERMS OF THE RIGHTS ISSUE” in this letter; and
- (iv) the Rights Issue is conducted on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportionate interests in the Company and allows the Qualifying Shareholders to participate in the future growth of the Company, and the maximum dilution effect only occur when the Qualifying Shareholders do not subscribe for their proportionate Rights Shares,

we are of the view that the terms of the Rights Issue are on normal commercial terms and are 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 and the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the Rights Issue.

Yours faithfully,

For and on behalf of

Draco Capital Limited

Kevin Choi Leon Au Yeung

Managing Director Director

Mr. Kevin Choi and Mr. Leon Au Yeung are licensed persons under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Draco Capital Limited. Mr. Kevin Choi and Mr. Leon Au Yeung have over 14 and 12 years of experience in the corporate finance industry, respectively.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited financial information of the Group for each of the years ended 31 March 2023, 2024 and 2025 are disclosed in the following annual reports of the Company for the years ended 31 March 2023, 2024 and 2025 respectively which have been published and are available on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (<http://www.aeso.hk>):

- (a) the annual report of the Company for the year ended 31 March 2023 published on 30 June 2023 (pages 30 to 104) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063003604.pdf>);
- (b) the annual report of the Company for the year ended 31 March 2024 published on 18 July 2024 (pages 31 to 104) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0718/2024071800359.pdf>); and
- (c) the annual report of the Company for the year ended 31 March 2025 published on 18 July 2025 (pages 31 to 104) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0718/2025071800245.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

HK\$'000

Current liabilities

Lease liabilities – unsecured and unguaranteed	791
Other borrowings – secured and unguaranteed (<i>note i</i>)	19,136
Bank overdrafts – secured and guaranteed (<i>note ii</i>)	1,841
Bank borrowings – secured and guaranteed (<i>note ii</i>)	<u>47,849</u>
	<u>69,617</u>

Non-current liabilities

Lease liabilities – unsecured and unguaranteed	<u>4,129</u>
	<u><u>73,746</u></u>

Notes:

- (i) The other borrowings were bearing interest ranging from 8.0% to 11.5% per annum.
- (ii) The bank overdraft and bank borrowings were secured by personally guaranteed of Mr. Chan, certain assets held by Mr. Chan and his spouse, financial assets at fair value through profit or loss held by the Group, the pledged bank deposits held by the Group and certain accounts receivable held by the Group.

Pledge of assets

The aforesaid secured other borrowings, secured bank overdrafts and secured bank borrowings of approximately HK\$19,136,000, HK\$1,841,000 and HK\$47,849,000, respectively as at 31 August 2025 were secured by financial assets at fair value through profit or loss, the pledged bank deposits and certain accounts receivable held by the Group with the carrying amounts of approximately HK\$22,945,000, HK\$918,000 and HK\$19,464,000, respectively.

Contingent liabilities

Three customers of construction contracts undertaken by the Group required a group entity to issue guarantees for performance of contract works in the form of surety bonds. The Group provided a counter-indemnity to a bank that issued such surety bonds. As at 31 August 2025, the carrying amount of pledged bank deposits placed for surety bonds was approximately HK\$918,000. The surety bonds were also secured by personal guarantee from Mr. Chan, certain assets held by Mr. Chan and his spouse and financial asset at fair value through profit or loss held by the Group.

As at 31 August 2025, the amount of surety bonds provided by the Group was HK\$11,151,000.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, as at the close of business on 31 August 2025, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. 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.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company, along with its subsidiaries, is principally engaged in the provision of fitting-out work for construction of newly built commercial premises and residential developments and renovation (including alteration and addition) work for existing commercial premises in Hong Kong.

The competitive strengths of the Company, such as (i) an established track record in the market with stable and long-term client relationships with the major clients that include listed property developers; (ii) strong and stable relationships with the major suppliers and subcontractors; (iii) integrated project execution for contracting services; and (iv) a strong and experienced management team with proven track record, continuously contribute to the success of the Group.

As set out in the annual report of the Company for the year ended 31 March 2025, the Group recorded profit from operations for the years ended 31 March 2024 and 2025. The Group will continue focusing on the opportunities in renovation works and fitting-out works in Hong Kong, especially fitting-out projects for commercial building and shopping arcade development. The Management expects more projects from quasi-government sector in the future and hope to expand our business in this sector as the potential is increasing due to land supply for public sector is expected to be further increased in coming future. During the Reporting Period and up to the date of this report, the Group was awarded with two fitting-out projects with the total contract sum of approximately HK\$65.7 million which include design and build of on-site sales office for the proposed residential development in Kai Tak; and fitting out works to clubhouse and entrance lobbies in Kwun Tung. The Group will keep to tender new fitting out projects and renovation projects in Hong Kong including the projects from public housing sector, listed property developers and well-established companies etc.

The Company started to bid for a mega commercial project in Center Island landmark area and expected to participate in coming year(s). The management of the Group believed that the Group may increase the manpower and the budget of construction cost through fund raising activities, so that to enlarge the size of the Group in the coming future for the purpose of handling construction projects from large number of new tenders awarded including the new business from public housing sector.

The Group gained more opportunities in tendering and completing for commercial development projects in past years. During the Reporting Period the Group has been invited to tender for a commercial development project involving a mega size shopping center located in a prime business district which will become a well-known and recognized as a new landmark in Hong Kong.

A. STATEMENT OF UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma consolidated net tangible assets of the Group prepared in accordance with paragraph 13 of Appendix D1B and paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants, is set out below to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Right Issue had taken place on 31 March 2025.

The statement of unaudited pro forma consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group as at 31 March 2025 extracted from the published annual report of the Company for the year ended 31 March 2025, adjusted as described below:

Audited Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025	Unaudited estimated net proceeds from the Rights Issue	Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 immediately after completion of the Rights Issue	Audited consolidated net tangible assets of the Group per existing share attributable to owners of the Company immediately before completion of the Rights Issue	Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per adjusted share after the completion of the Rights Issue
HK\$'000	HK\$'000	HK\$'000	HK\$	HK\$
(Note 1)	(Note 2)		(Note 3)	(Note 4)
Based on 160,000,000 Rights Shares to be issued at Subscription Price of HK\$0.110 per Rights Share				
51,744	16,400	68,144	0.65	0.28

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 are based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2025 of approximately HK\$51,744,000, as shown on the audited consolidated statement of financial position of the Group as at 31 March 2025, which has been extracted from the published annual report of the Company for the year ended 31 March 2025.
- (2) The unaudited estimated net proceeds of approximately HK\$16,400,000 from the Rights Issue are based on a total of 160,000,000 Rights Shares (assuming no change in the number of shares on or before the Record Date) to be issued on the basis of two (2) Rights Share for every one (1) existing share at the subscription price of HK\$0.110 per Rights Share and after deduction of estimated related expenses of approximately HK\$1,200,000, including but not limited to advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges, which are directly attributable to the Rights Issue.
- (3) The audited consolidated net tangible assets of the Group attributable to owners of the Company per share before completion of Rights Issue as at 31 March 2025 is HK\$0.6468, which is calculated based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 of approximately HK\$51,744,000 divided by 80,000,000 shares in issue as at 31 March 2025 immediately before the Rights Issue.
- (4) The unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue is determined based on the unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK\$68,144,000, which is arrived at after aggregating the audited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$51,744,000 and the unaudited estimated net proceeds of approximately HK\$16,400,000 from the Rights Issue (note 2 above) divided by 240,000,000 adjusted shares which comprise 80,000,000 existing shares in issue before completion of the Rights Issue and 160,000,000 Rights Shares (assuming no change in the number of Shares on or before the Record Date) were issued immediately after completion of the Rights Issue, assuming the Rights Issue had been completed on 31 March 2025.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 March 2025.

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of the independent reporting accountants' assurance 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 the purpose of incorporation in this circular.



24/F., Siu On Centre,
188 Lockhart Road,
Wan Chai,
Hong Kong

20 October 2025

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Aeso Holding Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Aeso Holding Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Director**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets as at 31 March 2025 and related notes as set out on pages II-1 to II-2 of the circular issued by the Company dated 20 October 2025 (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 two rights shares for every one existing share at the subscription price of HK\$0.110 per rights share (the “**Rights Issue**”) on the Group's consolidated net tangible assets attributable to the owners of the Company as at 31 March 2025 as if the transaction had taken place at 31 March 2025. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's audited consolidated financial statements as included in annual report for the year ended 31 March 2025, on which auditors' report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix D1B and paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

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

Our firm applies Hong Kong Standard on Quality Management 1, 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 Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM 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 Circular” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

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

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

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

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

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

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

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

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue and full acceptance by Qualifying Shareholders) are as follows:

(I) As at the Latest Practicable Date

Authorised: US\$

<u>2,000,000,000</u>	Shares of US\$0.01 each	<u>20,000,000</u>
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Issued and fully-paid:

<u>80,000,000</u>	Shares of US\$0.01 each	<u>800,000</u>
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(II) Immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue and full acceptance by Qualifying Shareholders)

Authorised: US\$

<u>2,000,000,000</u>	Shares of US\$0.01 each	<u>20,000,000</u>
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Issued and fully-paid:

80,000,000	Shares of US\$0.01 each	800,000
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<u>160,000,000</u>	Rights Shares to be issued pursuant to the Rights Issue	<u>1,600,000</u>
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<u>240,000,000</u>	Shares in issue immediately after completion of the Rights Issue	<u>2,400,000</u>
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All of the Rights Shares to be issued will rank *pari passu* in all respects with each other. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

The Company adopted a share option scheme on 30 September 2019 pursuant to which the total number of Shares in respect of which options may be granted under the share option scheme shall not exceed 8,000,000 Shares. As at the Latest Practicable Date, all options previously issued under the share option scheme lapsed and the scheme mandate limit has not been refreshed.

Save as disclosed above, as at the Latest Practicable Date, the Company did not have any outstanding derivatives, options, warrants and convertible securities or other similar rights which are convertible or exchangeable into Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option or agreed conditionally or unconditionally to be put under option. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

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

As at the Latest Practicable Date, the Company does not hold any treasury shares.

3. INTEREST IN SECURITIES

(a) Directors' and chief executive's interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) 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.

Name of Director	Capacity	Total number of Shares held	Approximate percentage of total issued shares
Mr. Chan Siu Chung	Beneficial owner (note)	10,600,000	13.25%

Note: Long positions in shares

Mr. Chan held 10,600,000 Shares through Acropolis Limited in which Mr. Chan is the sole Director and shareholder.

(b) Interests of substantial shareholders

As at Latest Practicable Date, so far as are known to any Directors of the Company, no person (other than the Directors or chief executive of the Company) had interests in the shares or underlying shares of the Company accounting to a substantial shareholder as recorded in the register required to be kept pursuant to section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

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

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or might compete, either directly or indirectly, with the business of the Group pursuant to the GEM Listing Rules.

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct and indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2025, being the date to which the latest published audited financial statements of the Company were made up.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, there had been no contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by members of the Group, entered into by members of the Group after the date falling two years immediately preceding the date of the First Announcement and up to the Latest Practicable Date:

- (a) the Placing Agreement; and
- (b) the Supplemental Placing Agreements.

9. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and placing all Unsubscribed Rights Shares and ES Unsold Rights Shares by Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.2 million, which are payable by the Company.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	Mr. Chan Siu Chung Flat A, 3/F, Manly Mansion, 69B Robinson Road, Mid-levels, Hong Kong Mr. Cheung Hiu Tung Flat Q, 5/F, Cheong Yuen Building, 1 Yen Chow Street, Kowloon, Hong Kong Mr. Zhang Hai Wei Room 1805, Block B7, Xinghe Shidai Garden, Longcheng Street, Longgang District, Shenzhen, PRC Mr. Yeung Chun Yue, David Flat B, 24/F Scholastic Garden, No. 48 Lyttelton Road, Hong Kong Ms. Lai Wing Sze Room 4005, Block J, Yu Chui Court, Shatin, New Territories, Hong Kong Ms. Yu Wan Ki Flat A, 6/F., Lung Wa Building, 22 Fuk Wah Street, Sham Shui Po, Kowloon, Hong Kong
Registered office	:	89 Nexus Way, Camana Bay Grand Cayman, KY1-9009 Cayman Islands
Head office and principal place of business in Hong Kong	:	14/F., 299QRC, 287-299 Queen's Road Central, Sheung Wan Hong Kong
Placing Agent	:	Suncorp Securities Limited Room 2305, 23/F, The Centre, 99 Queen's Road Central, Hong Kong

Independent financial adviser to the Independent Board Committee and the Independent Shareholders	:	Draco Capital Limited 4/F, Connaught Harbourfront House, 35-36 Connaught Road West, Sheung Wan, Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue	:	Tsun & Partners Room 1408A, 14/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong
Reporting accountants	:	McMillan Woods (Hong Kong) CPA Limited 24/F, Siu On Centre 188 Lockhart Road Wan Chai, Hong Kong
Principal bankers in Hong Kong	:	The Hongkong and Shanghai Banking Corporation Limited DBS Bank (Hong Kong) Ltd.
Principal share registrar	:	Ogier Global (Cayman) Limited 89 Nexus Way, Camana Bay Grand Cayman, KY1-9009 Cayman Islands
Hong Kong branch share registrar and transfer office	:	Tricor Investor Services Limited 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong
Authorised representatives	:	Mr. Chan Siu Chung 14/F., 299QRC, 287-299 Queen's Road Central, Sheung Wan, Hong Kong Ms. Tsui Mei Fung 14/F., 299QRC, 287-299 Queen's Road Central, Sheung Wan, Hong Kong

Company secretary	:	Ms. Tsui Mei Fung ACG HKACG 14/F., 299QRC, 287-299 Queen's Road Central, Sheung Wan, Hong Kong
Senior management	:	Ms. Cheng Nga Lai 14/F., 299QRC, 287-299 Queen's Road Central, Sheung Wan, Hong Kong

11. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Yeung Chun Yue, David (the Chairman of the Audit Committee), Ms. Lai Wing Sze and Ms. Yu Wan Ki. 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 role and function of the Audit Committee are to oversee the relationship with the external auditors, to review the Group's preliminary quarterly results, interim results and annual results and to monitor compliance with statutory and listing requirements.

12. EXPERTS AND CONSENTS

The following is the qualification of the expert who has given opinions or advice, which are contained or referred to in this circular:

Name	Qualification
Draco Capital Limited	A corporation licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activity under the SFO
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, each of the above experts:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinions or advice and references to its name, in the form and context in which they appear;

- (b) did not have any shareholding, directly or indirectly, 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; and
- (c) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, each of the above experts was not materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Chan Siu Chung, aged 50, is the founder, the chairman of the Group. Mr. Chan has more than 27 years of experience in the building and construction industry, especially in the field of fitting out and renovation (including alteration and addition) works. Mr. Chan obtained a bachelor of science degree in construction economics and management from The Hong Kong Polytechnic University in Hong Kong in 1997 and a master of science degree in construction project management from The University of Hong Kong in Hong Kong in 2006. He is primarily responsible for the overall strategic development, management of the Group, managing client relationship and business marketing. He is one of the founders of Aeso Limited, the operating subsidiary of the Company, and is currently its executive director and project director. He is also a director of Aeschylus Limited.

Mr. Cheung Hiu Tung, aged 48, joined the Group in October 2008 and Mr. Cheung was appointed as the executive director of the Group on 1 November 2019. Mr. Cheung has over 23 years of experience in the building and construction industry. Mr. Cheung completed a 75-day Measurement Technician Training Course delivered by Construction Industry Training Authority in Hong Kong in November 1996. He obtained a certificate in quantity surveying and a higher certificate in quantity surveying from Hong Kong Institute of Vocational Education in Hong Kong in July 2000 and July 2002, respectively.

Mr. Zhang Haiwei, aged 41, joined the Group as the executive director on 24 May 2019. He obtained a Bachelor Degree of Engineering in automation from Guangdong University of Technology. Mr. Zhang has over 13 years of experience in business development and management and had held senior management positions in several enterprises. Prior to joining the Group, Mr. Zhang was a chief operating officer of a sizeable company in the PRC and he was mainly responsible for the company's building management and interior design projects involving application of automation technologies.

Independent non-executive Directors

Mr. Yeung Chun Yue, David, aged 43, joined the Group as the independent non-executive director on 12 April 2019. He has over 19 years of experience in accounting and tax advisory. Mr. Yeung has been an executive director of Hatcher Group Limited (Stock Code: 8365) since July 2021. From September 2017 to July 2021, he had been the managing partner and director of D & Partners CPA Limited. From July 2004 to September 2017, he worked in Cheng & Cheng Limited, Certified Public Accountants with his last position as a director. Mr. Yeung has been an independent non-executive director of TL Natural Gas Holdings Limited (stock code: 8536) since 29 December 2021; Nexion Technologies Limited (stock code: 8420) since 10 September 2020; and SANVO Fine Chemicals Group Limited (stock code: 301) since 13 December 2019. Mr. Yeung was the executive director of Cornerstone Technologies Holdings Limited (Stock code: 8391) from 22 August 2022 to 17 May 2023. Mr. Yeung graduated from City University of Hong Kong with a bachelor of business administration in accountancy in November 2004. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Adviser of the Taxation Institute of Hong Kong. He is currently a committee member of the Panyu Committee of Chinese People's Political Consultative Conference.

Ms. Lai Wing Sze, aged 36, joined the Group as the independent non-executive director on 24 May 2019. She obtained a bachelor degree of arts from the University of Derby. Ms. Lai has extensive working experience in Hong Kong and overseas. Prior to joining the Company, Ms. Lai had held various managerial and supervisory positions in certain multinational corporations.

Ms. Yu Wan Ki, aged 37, joined the Group as the independent non-executive director on 24 May 2019. She obtained a Bachelor Degree of Mass Communication in Journalism and Public Relations from Curtin University of Technology, Western Australia. Ms. Yu has more than 13 years of working experience in different industries including IT Consulting and international export. She is currently a managing director of a company engaging in IT consulting.

Company Secretary

Ms. Tsui Mei Fung, aged 37, has been appointed as the company secretary of the Company from 2 December 2024. Ms. Tsui holds a bachelor's degree in accounting, a master's degree in corporate governance and is an associate of The Hong Kong Chartered Governance Institute. Ms. Tsui has extensive experience in corporate secretarial field.

Senior Management

Ms. Cheng Nga Lai, aged 49, is the Senior Operating Manager of the Group. Ms. Cheng joined our Company in May 2008. She is primarily responsible for formulating and implementing internal and regulatory manuals and assisting our executive Directors and project managers in operation and contract management. Ms. Cheng has over 23 years of experience in the building and construction industry.

Ms. Cheng obtained a bachelor of science degree in construction economics and management from The Hong Kong Polytechnic University in Hong Kong in 1997.

14. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.
- (c) The Group has no exposure to foreign exchange liabilities.

15. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the annual report of the Company for the year ended 31 March 2023;
- (b) the annual report of the Company for the year ended 31 March 2024;
- (c) the annual report of the Company for the year ended 31 March 2025;
- (d) the Placing Agreement;
- (e) the Supplemental Placing Agreements;
- (f) Shareholder Irrevocable Undertaking;
- (g) the letter from the Board, the text of which is set out on pages 10 to 35 of this circular;
- (h) the letter from the Independent Board Committee, the text of which is set out on pages 36 to 37 of this circular;

- (i) the letter from Independent Financial Advisor, the text of which is set out on pages 38 to 64 of this circular;
- (j) the accountant's report on the unaudited pro forma financial information of the Group issued by McMillan Woods (Hong Kong) CPA Limited, the text of which is set out in Appendix II to this circular;
- (k) the material contracts (including the Placing Agreement and the Supplemental Placing Agreements) as referred to in the section headed "8. Material contracts" in this appendix;
- (l) the written consent referred to in the section headed "12. Experts and consents" in this appendix; and
- (m) this circular.

NOTICE OF EGM



aeso

AESO HOLDING LIMITED

艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Aeso Holding Limited (the “**Company**”) will be held at Portion 2, 12/F, the Center, 99 Queen’s Road Central, Hong Kong on Monday, 10 November 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed with or without amendment as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“**THAT** conditional upon: (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant (subject to allotment) and not having revoked the listing of and permission to deal in the Rights Shares (as defined below) to be allotted and issued to the shareholders of the Company (the “**Shareholders**”) pursuant to the terms and conditions of the Rights Issue (as defined below); and (ii) satisfaction of all conditions as set out in the paragraph headed “**Conditions of the Rights Issue**” in the letter from the board of the circular of the Company dated 20 October 2025 becoming unconditional and not being terminated in accordance with its terms:

- (a) the issue by way of rights issue (the “**Rights Issue**”) of 16,000,000 ordinary shares (the “**Rights Shares**”) at the subscription price of HK\$0.110 per Rights Share to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the Company on the date by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the “**Excluded Shareholders**”) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of two (2) Rights Shares for every one (1) Shares of the Company then held on the Record Date at the subscription price of HK\$0.110 per Rights Share and otherwise on the terms and conditions set out in the Circular be and is hereby approved;

NOTICE OF EGM

- (b) the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may (i) make such exclusions or other arrangements in relation to the Excluded Shareholders as they may deem necessary, desirable or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and (ii) offer for application under forms of excess application for any Rights Shares provisionally allotted but not accepted, and to do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution;
- (c) the placing agreement dated 4 September 2025, supplemented by supplemental agreements dated 22 September 2025 and 13 October 2025, (the “**Placing Agreements**”) entered into between the Company and Suncorp Securities Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the meeting for the purpose of identification), in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (d) any one or more of the Directors be and is/are hereby authorised to sign or execute such documents, do all such acts and things and to take such steps as he/they consider necessary, desirable or expedient to carry out, to give effect to or in connection with the Rights Issue, the Placing Agreements or any transaction contemplated thereunder.”

Yours faithfully,
For and on behalf of the Board of
Aeso Holding Limited
Chan Siu Chung
Chairman

Hong Kong, 20 October 2025

Registered office:
89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Principal place of business in Hong Kong:
14/F., 299QRC, 287-299
Queen’s Road Central
Sheung Wan, Hong Kong

NOTICE OF EGM

Notes:

1. A member entitled to attend and vote at the meeting 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 notarially certified copy of that power or authority, at the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong at least 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.
3. The register of members of the Company will be closed from Wednesday, 5 November 2025 to Monday 10 November 2025, 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 branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, 4 November 2025.
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 meeting, 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. The Meeting is expected to last for less than half a day. Members (in person or by proxy) attending the Meeting are responsible for their own transportation and accommodation expenses. Members or their proxies attending the Meeting shall present their identity certifications.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions the government of Hong Kong announces in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage caused by super typhoons according to the revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Labour Department of Hong Kong" is/are in effect any time after 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the websites of the Company at www.aeso.hk and the GEM at www.hkgem.com to notify Shareholders of the date, time and place of the rescheduled meeting.
7. Any voting at the meeting shall be taken by poll.

As at the date of this notice, the Board comprises six Directors, including three executive Directors, namely Mr. Chan Siu Chung, Mr. Cheung Hiu Tung and Mr. Zhang Hai Wei and three independent non-executive Directors, namely Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki.

NOTICE OF EGM

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

This notice will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the day of its publication and on the website of the Company at www.aeso.hk.