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LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

**I. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
II. PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
AND
III. PROPOSED CHANGE IN BOARD LOT SIZE**

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$7,800,000 divided into 780,000,000 Shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each by creating an additional 1,220,000,000 unissued Shares of HK\$0.01 each. The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

PROPOSED RIGHTS ISSUE

Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Board proposes to raise gross proceeds of up to approximately HK\$47.3 million (assuming full subscription under the Rights Issue) by way of issuing up to 538,033,708 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.088 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

The maximum net proceeds from the Rights Issue after deducting the relevant expenses are estimated to be approximately HK\$46.3 million (assuming no change in the number of Shares in issue on or before the Record Date). The net price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.086. The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 51.8% (or approximately HK\$24.0 million), for developing the healthcare and beauty business of the Group; and (ii) approximately 48.2% (or approximately HK\$22.3 million) for enhancing the general working capital of the Group.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 20 January 2025. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 month period immediately preceding the date of this announcement, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the 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 favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, Hehui International, being a Controlling Shareholder, directly holds 269,564,510 Shares, representing approximately 50.10% of the total issued share capital of the Company as at the date of this announcement. Hehui International is a company wholly-owned by Mr. Yuan, the chairman of the Board and a non-executive Director of the Company. Accordingly, Hehui International, Mr. Yuan and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wu Jilin, Mr. Lam Cheung Shing Richard and Mr. So Yin Wai, will be established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser to be appointed by the Company. In this connection, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. An announcement will be made by the Company upon the appointment of the Independent Financial Adviser.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 31 December 2024 to Tuesday, 7 January 2025 (both days inclusive).

A circular containing, among others, (i) the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 13 December 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Monday, 20 January 2025. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

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

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

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

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility to raise funds by the Rights Issue, the Board proposes to increase the authorised share capital of the Company from HK\$7,800,000 divided into 780,000,000 Shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each by creating an additional 1,220,000,000 unissued Shares.

Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM. The Board believes that the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Board proposes to raise gross proceeds of up to approximately HK\$47.3 million (assuming full subscription under the Rights Issue) by way of issuing up to 538,033,708 Rights Shares assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.088 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). Further details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.088 per Rights Share
Number of Shares in issue as at the date of this announcement	:	538,033,708 Shares
Maximum number of Rights Shares to be issued	:	538,033,708 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Approximate aggregate nominal value of the Rights Shares	:	HK\$5,380,337.08 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	1,076,067,416 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.086 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK\$47.3 million
Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK\$46.3 million
Rights of excess application	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares will be allotted and issued on or before completion of the Rights Issue, the 538,033,708 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the total issued share capital of the Company as at the date of this announcement; and (ii) 50% of the total issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the date of this announcement, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Subscription Price

The Subscription Price is HK\$0.088 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 49.71% to the closing price of HK\$0.175 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 49.60% to the average closing price of approximately HK\$0.1746 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 50.87% to the average closing price of approximately HK\$0.1791 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 33.08% to the theoretical ex-rights price of approximately HK\$0.1315 per Share based on the benchmarked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share); and

- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.86% of the theoretical diluted price of approximately HK\$0.1315 per Share to the benchmarked price of approximately HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share).

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of the Rights Shares will be approximately HK\$0.086.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

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

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Non-underwritten Basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be made available for excess application under the EAFs. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who apply to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. 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 for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilised due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

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

Conditions of the Rights Issue

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

- (i) the Increase in Authorised Share Capital having become effective;
- (ii) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

- (iii) the Listing Committee 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);
- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date; and
- (v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date.

None of the above conditions can be waived. As at the date of this announcement, none of the above conditions has been fulfilled. If any of the conditions referred to above is not fulfilled by Friday, 30 May 2025, the Rights Issue will not proceed.

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance.

The PAL relating to the Rights Shares 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 with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a remittance for the Rights Shares being applied for.

Status of the Rights Shares

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

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as 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 on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Friday, 10 January 2025 (Hong Kong time).

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

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer 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.

The Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder(s). Such Overseas Shareholders will be regarded as Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

As at the date of this announcement, based on the register of members of the Company, there is one Overseas Shareholder, namely Hehui International (being a Controlling Shareholder), with registered address located in the PRC. Hehui International is interested in 269,564,510 Shares, representing approximately 50.10% of the total issued share capital of the Company. Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude Hehui International, the Overseas Shareholder with registered addresses located in the PRC, from the Rights Issue. Therefore, Hehui International is not an Excluded Shareholder and the Rights Issue will be extended to Hehui International. Save for Hehui International, there were no other Overseas Shareholders based on the register of members of the Company as at the date of this announcement.

Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should note that they may or may not be able to participate in the Rights Issue, subject to the results of enquiries made by the Company pursuant to the notes to Rule 13.36(2)(a) of the Listing Rules. 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 laws or other laws or regulations of any territory or jurisdiction. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

Excluded Shareholder(s) (if any)

The Company will not extend the Rights Issue to the Excluded Shareholders. Accordingly, no provisional allotment of the Rights Shares will be made to the Excluded Shareholders and the Excluded Shareholders will not be entitled to apply for the Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

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 as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

The Prospectus Documents, together with the PAL and EAF, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders only and 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 Prospectus (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information only. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

Fractional Entitlements to the Rights Shares

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

Application for Excess Rights Shares

All Qualifying Shareholders are entitled to apply, by way of excess application under the EAFs, for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders; and
- (iii) any Rights Shares which would otherwise be allotted but subject to scale down (as described below).

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Thursday, 6 February 2025.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

A Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. 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 for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilised due to scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

Basis of allocation of Excess Rights Shares

Subject to any scaling down of subscriptions, the Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

- (i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders; and
- (ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the beneficial owners individually. Beneficial owners whose Shares are held by a nominee (or held through CCASS) are advised to consider whether they would like to arrange for the registration of their Shares in their own names on or prior to the Last Day for Transfer.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Friday, 14 February 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Friday, 14 February 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

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

The nil-paid Rights Shares and the fully-paid Rights Shares will be traded in the board lot size of 20,000 Shares.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Irrevocable undertaking

As at the date of this announcement, the Board has not received any information or undertaking from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares.

Rights Shares will be eligible for admission into CCASS

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

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

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

The Group is principally engaged in rental of accommodation and conference facilities, provision of property facilities management and accommodation consultation services. As disclosed in the Company's interim report for the six months ended 30 June 2024, leveraging the Group's expertise, network and experience in conducting business in the PRC, the Company is actively assessing the viability of business diversification. The Group has been actively studying business opportunities in areas including the healthcare and beauty industry in the PRC.

According to a market research report publicly available, the PRC skincare market was valued at approximately US\$54.47 billion in 2023 and is anticipated to grow from approximately US\$59.08 billion in 2024 to approximately US\$128.61 billion by 2032, representing a CAGR of approximately 11.75% during the forecast period. In light of the robust growth in the PRC skincare market, the Board considers that it is in the interests of the Company and the Shareholders as a whole for the Group to develop its healthcare and beauty business specialised in the sale of bioregenerative, collagen and anti-aging skincare products. The Group plans to develop its healthcare and beauty business through collaboration with key players in the healthcare and beauty industry as well as self-development of proprietary rights and technology.

As at the date of this announcement, the Company has not identified any potential targets for the formation of business collaboration or joint venture in relation to its planned development of healthcare and beauty business. Apart from the anticipated business collaboration with key players in the healthcare and beauty industry, the Group also plans to (i) recruit management and technical staff with established knowledge and experience in the healthcare and beauty industry; (ii) conduct research activities for the development of proprietary rights and technology related to bioregenerative, collagen and anti-aging skincare products; and (iii) set up a sales and marketing team designated for the promotion of skincare products and the development of its healthcare and beauty business.

As at 30 June 2024, the Group recorded total liabilities of approximately HK\$191.6 million mainly comprising borrowings and lease liabilities of approximately HK\$28.6 million and HK\$143.9 million, respectively. Besides, the Group recorded net liabilities of approximately HK\$80.3 million as at 30 June 2024. Taking into consideration the Group's indebtedness and gearing ratio, the Directors consider that it is financially prudent for the Group to conduct equity financing in the form of the Rights Issue to strengthen its general working capital reserve and to finance the development of its healthcare and beauty business.

Use of proceeds

Assuming there will be no change in the total number of issued Shares from the date of this announcement up to and including the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK\$46.3 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately 51.8% of the net proceeds or approximately HK\$24.0 million for developing the healthcare and beauty business of the Group; and
- (ii) approximately 48.2% of the net proceeds or approximately HK\$22.3 million for enhancing the general working capital of the Group.

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.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

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

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Completion date	Fund raising	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
2 September 2024	20 September 2024	Placing of 89,670,000 new shares at the placing price of HK\$0.169 per placing share under general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2024	HK\$15 million	Renovation of accommodation facilities and general working capital use	Approximately HK\$9.2 million has been applied as intended

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders:

Name of Shareholders	As at the date of this announcement		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Hehui International	269,564,510 ^(Note 1)	50.10	539,129,020	50.10
Public Shareholders	<u>268,469,198</u>	<u>49.90</u>	<u>536,938,396</u>	<u>49.90</u>
	<u>538,033,708</u>	<u>100.00</u>	<u>1,076,067,416</u>	<u>100.00</u>

Notes:

- These 269,564,510 Shares were registered in the name of Hehui International. Mr. Yuan held the entire issued share capital of Hehui International and was deemed to be interested in the 269,564,510 Shares in which Hehui International was interested pursuant to the SFO. As disclosed in the Company's announcement dated 19 August 2024, these 269,564,510 Shares were charged in favour of Osibao Cosmetics International Limited which is a company incorporated in Hong Kong ("**Osibao Cosmetics HK**"). Mr. Cheung Ching Mo held the entire issued share capital of Osibao Cosmetics International Limited which is a company incorporated in the British Virgin Islands ("**Osibao Cosmetics BVI**") and Osibao Cosmetics BVI held the entire issued share capital of Osibao Cosmetics HK.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Shares. The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 20 January 2025.

Based on the theoretical ex-rights price of HK\$0.1315 per Share (calculated based on the benchmarked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share), the market value of each existing board lot of 2,000 Shares is HK\$263 and the estimated market value of each proposed new board lot of 20,000 Shares would be HK\$2,630.

The Change in Board Lot Size will not result in change in the relative right of the Shareholders. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

Arrangement on odd lot trading and matching services

In order to alleviate the difficulties of the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Further details of the odd lot arrangement will be set out in the circular of the Company.

Holder of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement. All existing share certificates in board lot of 2,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of the existing share certificates in board lot of 2,000 Shares to new share certificate in board lot of 20,000 Shares is necessary.

Reasons for the Change in Board Lot Size

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by The Hong Kong Exchange and Clearing Limited, the expected value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the fact that the closing price of the Shares as quoted on the Stock Exchange as at the date of this announcement was HK\$0.175 per Share, the value of each existing board lot of 2,000 Shares was HK\$350, which was less than HK\$2,000.

Based on the above and with the view to complying with the trading requirements under the Listing Rules, the Board resolved to propose the Change in Board Lot Size, resulting in (i) HK\$3,500 per board lot of 20,000 Shares based on the closing price of HK\$0.175 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) HK\$2,630 per board lot of 20,000 Shares based on the theoretical ex-rights price of HK\$0.1315 per Share (calculated based on the bench marked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share).

Further, the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

In addition, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing the Shares from a broader range of institutional and professional investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

Accordingly, the Board considers that the Change in Board Lot Size would maintain the trading a mount for each board lot at a reasonable level in order to attract potential investors and to extend the shareholder base of the Company. The Board believes that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size is set out below. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Date and time (Hong Kong time)
Expected despatch date of the circular, proxy form and the notice of the EGM	Friday, 13 December 2024
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:00 p.m. on Monday, 30 December 2024
Closure of register of members of the Company for determination of the right to attend and vote at the EGM (both days inclusive)	Tuesday, 31 December 2024 to Tuesday, 7 January 2025
Latest time for lodging proxy forms for the EGM	3:00 p.m. on Sunday, 5 January 2025
Record date for attendance and voting at the EGM	Tuesday, 7 January 2025
Expected time and date of the EGM to approve the proposed Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated respectively thereunder	3:00 p.m. on Tuesday, 7 January 2025

Announcement of the poll results of the EGM.	Tuesday, 7 January 2025
Effective date of the Increase in Authorised Share Capital	Tuesday, 7 January 2025
Register of members of the Company re-opens	Wednesday, 8 January 2025
Last day of dealings in the Shares on a cum-rights basis	Wednesday, 8 January 2024
First day of dealings in the Shares on an ex-rights basis	Thursday, 9 January 2025
Latest time for the Shareholders to lodge transfer of the Shares to qualify for the Rights Issue	4:00 p.m. on Friday, 10 January 2025
Closure of register of members for the Rights Issue (both days inclusive)	Monday, 13 January 2025 to Friday, 17 January 2025
Record Date for the Rights Issue	Friday, 17 January 2025
Register of members of the Company re-opens	Monday, 20 January 2025
Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders (in the case of the Excluded Shareholders, the Prospectus only)	Monday, 20 January 2025
Effective date of the Change in Board Lot Size from 2,000 Shares to 20,000 Shares	9:00 a.m. on Monday, 20 January 2025
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	9:00 a.m. on Monday, 20 January 2025

First day of dealings in nil-paid Rights Shares in
the board lot size of 20,000 Rights Shares Wednesday, 22 January 2025

Latest time for splitting of the PALs 4:00 p.m. on Friday,
24 January 2025

Last day of dealing in nil-paid Rights Shares in
the board lot size of 20,000 Rights Shares Monday, 3 February 2025

Latest Time for Acceptance of and payment for
the Rights Shares and application and payment
for the Excess Rights Shares 4:00 p.m. on Thursday,
6 February 2025

Latest time for the Rights Issue to become unconditional 4:00 p.m. on Friday,
7 February 2025

Announcement of results of the Rights Issue Thursday, 13 February 2025

Despatch of share certificates for
fully-paid Rights Shares Friday, 14 February 2025

Despatch of refund cheques, if any, for wholly or
partially unsuccessful excess applications or
if the Rights Issue is terminated Friday, 14 February 2025

Commencement of dealings in fully-paid
Rights Shares in the board lot size of
20,000 Rights Shares 9:00 a.m. on Monday,
17 February 2025

Latest time for the designated broker to provide
matching services for odd lots of Shares 4:00 p.m. on Friday,
7 March 2025

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

Details or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended, amended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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

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

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

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 31 December 2024 to Tuesday, 7 January 2025 (both dates inclusive) for determining the Shareholders’ entitlements for attending and voting at the EGM.

The register of members of the Company will be closed from Monday, 13 January 2025 to Friday, 17 January 2025 (both dates inclusive) for determining the entitlements to the Rights Issue.

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

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 month period immediately preceding the date of this announcement, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the 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 favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, Hehui International, being a Controlling Shareholder, directly holds 269,564,510 Shares, representing approximately 50.10% of the total issued share capital of the Company as at the date of this announcement. Hehui International is a company wholly-owned by Mr. Yuan, the chairman of the Board and a non-executive Director of the Company. Accordingly, Hehui International, Mr. Yuan and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wu Jilin, Mr. Lam Cheung Shing Richard and Mr. So Yin Wai, will be established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser to be appointed by the Company. In this connection, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. An announcement will be made by the Company upon the appointment of the Independent Financial Adviser.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 31 December 2024 to Tuesday, 7 January 2025 (both days inclusive).

A circular containing, among others, (i) the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 13 December 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Monday, 20 January 2025. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

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

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

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

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

“AFRC”	the Accounting and Financial Reporting Council
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CAGR”	compounded annual growth rate
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 20,000 Shares

“Company”	Legend Strategy International Holdings Group Company Limited (枋濟國際集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1355)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Increase in Authorised Share Capital and the Rights Issue and the transactions contemplated respectively thereunder
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form
“Excess Rights Share(s)”	any Rights Share(s) provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Excluded Shareholders
“Excluded Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas 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

“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“Group”	the Company and its subsidiaries
“Hehui International”	Hehui International Development Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Yuan
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$7,800,000 divided into 780,000,000 Shares to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,220,000,000 unissued Shares
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, to be established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) who is(are) not required to abstain from voting on the resolution relating to the Rights Issue at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates

“Last Trading Day”	Thursday, 21 November 2024, the date of this announcement
“Last Day for Transfer”	Friday, 10 January 2025, or such other date as the Company may determine, being the last date for lodging transfer of Shares prior to the closure of the register of members of the Company in order to qualify for the Rights Issue
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 6 February 2025, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yuan”	Mr. Yuan Fuer (袁富兒), being the chairman of the Board and a non-executive Director
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issues
“Prospectus Documents”	the Prospectus, the PAL and the EAF

“Prospectus Posting Date”	Monday, 20 January 2025, or such other date as the Company may determine, being the date on which the Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Qualifying Shareholder(s)”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 17 January 2025 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to participate in the Rights Issue will be determined
“Registrar”	Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	The proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 538,033,708 Shares (assuming no change in the number of issued Shares on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.088 per Rights Share under the Rights Issue
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Share(s)”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Legend Strategy International Holdings Group Company Limited
Yuan Fuer
Chairman

Hong Kong, 21 November 2024

As at the date of this announcement, the Board comprises the following Directors:

Executive Director:

Ms. Lee Tsz Yan

Non-executive Directors:

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-executive Directors:

Mr. Wu Jilin

Mr. Lam Cheung Shing Richard

Mr. So Yin Wai