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**SILKWAVE**

**SILKWAVE INC**

**中播數據有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 471)**

**PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3)  
RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON  
THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

**Financial adviser to the Company**

 **金利豐財務顧問**  
KINGSTON CORPORATE FINANCE

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise gross proceeds of up to (i) approximately HK\$163.72 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) by issuing up to 359,821,602 Rights Shares; or (ii) approximately HK\$174.34 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date) by issuing up to 383,161,602 Rights Shares at the Subscription Price of HK\$0.455 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholder(s) (if any).

The maximum net proceeds from the Rights Issue, after deducting all relevant expenses, are estimated to be (i) approximately HK\$162.00 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$172.62 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes 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\$0.450 (assuming full subscription under the Rights Issue and no change in the number of Shares) or approximately HK\$0.451 (assuming full subscription under the Rights Issue no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date).

Assuming full subscription under the Rights Issues and no change in the number of Shares in issue on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 33.5% (or approximately HK\$54.27 million) for technology development and infrastructure enhancement for the CMMB Business; (ii) approximately 29.2% (or approximately HK\$47.30 million) for the Trading Business; (iii) approximately 8.4% (or approximately HK\$13.61 million) for strengthening operational teams and business development across the CMMB Business and the Trading Business; (iv) approximately 4.2% (or approximately HK\$6.80 million) for launching marketing campaigns and developing promotional offers to new customers; (v) approximately 16.3% (or approximately HK\$26.41 million) for general working capital of the Group; and (vi) approximately 8.4% (or approximately HK\$13.61 million) will be reserved for appropriate investment opportunities that may arise.

Assuming full subscription under the Rights Issues and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 33.5% (or approximately HK\$57.82 million) for technology development and infrastructure enhancement for the CMMB Business; (ii) approximately 29.2% (or approximately HK\$50.41 million) for the Trading Business; (iii) approximately 8.4% (or approximately HK\$14.50 million) for strengthening operational teams and business development across the CMMB Business and the Trading Business; (iv) approximately 4.2% (or approximately HK\$7.25 million) for launching marketing campaigns and developing promotional offers to new customers; (v) approximately 16.3% (or approximately HK\$28.14 million) for general working capital of the Group; and (vi) approximately 8.4% (or approximately HK\$14.50 million) will be reserved for appropriate investment opportunities that may arise.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level or 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) and EAF(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), 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 (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue 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 with 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%. Any subscription monies not being utilised due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 9 January 2026 to Thursday, 15 January 2026 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

## **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 (excluding treasury shares) by more than 50% within the 12-month period immediately preceding the date of this announcement, 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 resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, Chi Capital, being a controlling shareholder of the Company, directly holds 60,857,819 Shares, representing approximately 50.74% of the total issued share capital of the Company as at the date of this announcement. Chi Capital is a company wholly-owned by Mr. Wong, the chairman of the Board and the executive Director of the Company. Accordingly, Chi Capital, Mr. Wong 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 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 7.27B of the Listing Rules.

Save for Mr. Lui, who is the non-executive Director and one of the directors of the Financial Adviser, the Financial Adviser is independent of the connected persons of the Company under the Listing Rules. Except for Mr. Lui, none of the Directors has a material interest in the engagement of the Financial Adviser and the transaction contemplated thereunder and therefore no Director (other than Mr. Lui) is required to abstain from voting on the Board resolution(s) of the Company to approve the engagement of the Financial Adviser and the transactions contemplated thereunder.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder. A circular containing, among other things, (i) the Rights Issue; (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; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Thursday, 11 December 2025.

In order to be registered as a member of the Company on the record date for attendance and voting at the EGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 24 December 2025.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chow Kin Wing, Mr. Lam Cheung Shing Richard and Mr. Tam Hon Wah, 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.

Subject to the approval of the Rights Issue by the Independent Shareholders, the Prospectus Documents containing further details of the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Friday, 16 January 2026. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders (if any).

## **RISKS OF DEALING IN SHARES AND 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 Shares and/or 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 Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.**

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

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise gross proceeds of up to (i) approximately HK\$163.72 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) by issuing up to 359,821,602 Rights Shares; or (ii) approximately HK\$174.34 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date) by issuing up to 383,161,602 Rights Shares at the Subscription Price of HK\$0.455 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholder(s) (if any).

Details of the Rights Issue are set out below:

### **Rights Issue Statistics**

Basis of the Rights Issue	:	three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.455 per Rights Share

Number of Shares in issue as at the date of this announcement	:	119,940,534 Shares
Number of Rights Shares	:	up to (i) 359,821,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) 383,161,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date)
Aggregated nominal value of the Rights Shares	:	up to (i) HK\$3,598,216.02 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) HK\$3,831,616.02 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	(i) 479,762,136 (assuming full subscription under the Rights Issue, no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue); or (ii) 510,882,136 (assuming full subscription under the Rights Issue, no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)



Gross proceeds from the Rights Issue	:	(i) approximately HK\$163.72 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$174.34 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
Net proceeds from the Rights Issue	:	(i) approximately HK\$162.00 million after expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$172.62 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK\$0.450 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) or approximately HK\$0.451 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
Rights of excess application	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotments.

As at the date of this announcement, there are outstanding Convertible Notes which are convertible into 7,780,000 new Shares prior to the Record Date. Save for the aforesaid, as at the date of this announcement, the Group has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Shares prior to the Record Date.



Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 359,821,602 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 300% of the issued share capital of the Company as at the date of this announcement; and (ii) 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 383,161,602 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) approximately 319.46% of the issued share capital of the Company as at the date of this announcement; (ii) 300% of the issued share capital of the Company as enlarged by the issue of Shares upon full exercise of the Convertible Notes; and (iii) 75% of the issued share capital of the Company as enlarged by the issue of Shares upon full exercise of the Convertible Notes and the allotment and issue of the Rights Shares.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level or 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) and EAF(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), 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 (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue 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 with 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%. Any subscription monies not being utilised due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

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

### **The Subscription Price**

The Subscription Price is HK\$0.455 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares or where applicable, upon an application of Excess Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 31.06% to the closing price of HK\$0.660 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 32.29% to the average of the closing prices of HK\$0.672 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 31.58% to the average of the closing prices of approximately HK\$0.665 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 10.13% to the theoretical ex-rights price of approximately HK\$0.5063 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.660 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.51% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.5103 per Share and the benchmarked price of approximately HK\$0.676 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.660 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.676 per Share); and

(vi) a discount of approximately 62.81% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$1.2236 (based on the net asset value attributable to the owners of the Company as at 30 June 2025 of approximately US\$18,863,000 (equivalent to approximately HK\$146,754,140 based on the exchange rate of US\$1 = HK\$7.78) as disclosed in the interim results announcement of the Company dated 29 August 2025 for the six months ended 30 June 2025 and 119,940,534 Shares in issue as at the date of this announcement).

### **Determination of the Subscription Price**

The Subscription Price was determined by the Company with reference to, among others, (i) the recent closing prices of the Shares; (ii) the low liquidity of the Shares; (iii) the financial conditions of the Company; (iv) the amount of funds the Company intends to raise under the Rights Issue; and (v) the reasons as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS” below in this announcement.

For the six months preceding the Last Trading Day (“**Half-Year Period**”), the share price of the Company traded within a range of the lowest closing price of HK\$0.500 on 16 June 2025 to the highest closing price of HK\$1.480 on 13 October 2025 and 14 October 2025 respectively, with an average trading price of HK\$0.685. The average daily trading volume was approximately 832,011 Shares, representing approximately 0.69% of the total issued shares as at the Last Trading Day. During the Half-Year Period, the closing price of the Share remained stable between HK\$0.500 to HK\$0.720 from 19 May 2025 to 2 October 2025. The Board noticed that the closing price of the Share suddenly increased from HK\$0.720 on 2 October 2025 to HK\$1.350 on 6 October 2025, despite there was not any price-sensitive announcement was published by the Company during that period. Subsequently, the closing price of the Share decreased from HK\$1.480 on 14 October 2025 to HK\$0.700 on 16 October 2025 and continued trading steadily until the Last Trading Day. The Directors consider the price fluctuations observed in October 2025 to be anomalous.

Whilst the Subscription Price represents a discount of approximately 62.81% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$1.2236 (“**NAV per Share**”) as mentioned above, the Directors consider that the NAV per Share is not the sole determining factor for setting the Subscription Price. During the Half-Year Period, the Shares traded below NAV per Share on 122 out of 127 trading days, exceeding it on only 5 trading days. Accordingly, setting the Subscription Price at or near the NAV per Share would imply a substantial premium to the prevailing market prices of the Shares, which would not be commercially viable and would likely discourage Shareholder participation in the Rights Issue, thereby undermining the fundraising objectives.

Having also considered (i) the funding needs of the Group as detailed in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS”; (ii) to enhance attractiveness to Qualifying Shareholders; (iii) the closing price performance of the Share during the Half-Year Period as stated above; and (iv) the market comparison of the Comparables (as defined below), the Directors are of the view that setting the Subscription Price at a discount, within the range and proximate to the average of the Comparables’ LTD Discount, 5-Day Discount and 10-Day Discount (as defined below) is fair and reasonable and in the best interests of the Company and the Shareholders as a whole, as it is expected to encourage broader participation in the Rights Issue.

As disclosed in the annual report of the Company for the year ended 31 December 2024 (“FY2024”), the Group recorded a decrease in revenue from approximately US\$7.3 million for the year ended 31 December 2023 to approximately US\$6.4 million for FY2024, which represents a decrease of approximately 12.33%, which was mainly due to weakened performance in the Group’s trading business in Taiwan, which includes printed circuit board (PCB) operations and technology components for AI-related applications, amid challenging economic conditions.

The Company’s 20% equity interest in Silkwave Holdings Limited (“**Silkwave**”), which is developing a satellite-connected multimedia service for vehicles in the PRC using its AsiaStar satellite assets (including frequency spectrum and orbital slot), reported a significantly reduced shared loss of US\$541,000 in FY2024, down from US\$49.6 million in FY2023. This improvement reflects a reassessment of Silkwave’s commercial operations, prompted by ongoing delays in securing regulatory approvals and high-power satellite procurement, which impacted projected cash flows and led to a lower valuation of Silkwave’s assets. Silkwave has completed its network infrastructure, technology, and ecosystem platform and has been conducting trial services across PRC. However, persistent regulatory delays from Chinese authorities continue to prevent the launch of commercial services, deferring revenue generation.

With growing market recognition of satellite services and applications, particularly following PRC’s border reopening in early 2023 after three years of Covid-related restrictions, Silkwave is actively pursuing regulatory approvals and commercial service rollouts in the PRC while exploring opportunities in ASEAN markets to utilise its unutilised satellite capacity. The impairment loss on the Company’s intangible assets also decreased significantly from US\$20.22 million in FY2023 to US\$4.82 million in FY2024, reflecting improved asset valuations. Consequently, the overall loss for the year decreased substantially from US\$74.97 million in FY2023 to US\$9.46 million in FY2024, signaling a positive shift in financial performance despite ongoing challenges and the Management is actively exploring strategies to turn around the Group’s persistent net losses.

The Company aims to encourage greater Shareholders participation in the Rights Issue. Given the challenging financial performance, including the revenue decline, persistent net losses, and sustained low trading volume as outlined above, the Directors believe that offering an attractive discount on the subscription price is necessary to enhance the appeal of the Rights Issue and incentivise Shareholders' participation. This approach will enable shareholders to maintain their proportional shareholdings in the Company while contributing to the Group's future growth and development. Considering the reasons for the Rights Issue as detailed in the paragraph headed "REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS" below, the Directors believe that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable, and in the best interests of the Company and its Shareholders as a whole.

The Board noted the relatively large discount of the Subscription Price as mentioned above.

To assess the fairness and reasonableness of the Subscription Price, the Board searched for rights issue transactions announced by companies listed on the Stock Exchange (except those terminated or lapsed) from 1 July 2025 up to the Last Trading Day (the "**Criteria**"). The review period of approximately four months prior to and including the Last Trading Day was determined to illustrate recent practices in rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day. Based on the search on the Stock Exchange's website, the Board identified 35 rights issue transactions (the "**Comparables**") which met the aforesaid Criteria and they are exhaustive. The Board considered that notwithstanding that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables and without any independent verification with regard to the businesses and operations of such companies, the Comparables illustrate recent rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day.

Set out below is an exhaustive list of the Comparables announced during the review period:

Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	Premium/ (discount) of the subscription price to the net assets attributable to owners of the Company in relation to the respective rights issue (the "NAV Discount")	Excess application/ Compensatory arrangements
				HK\$' million	%	%	%	%
1. Domaine Power Holdings Limited	442	12/11/2025	1 for 2	61.0	(17.44)	(17.15)	65.12	5.81
2. Winto Group (Holdings) Limited	8238	6/11/2025	3 for 1	49.4	(6.98)	N/A	N/A	5.12
3. Zhongshi Minan Holdings Limited	8283	4/11/2025	5 for 1	100.8	(23.91)	(25.69)	(64.68)	21.67
4. KNT Holdings Limited	1025	2/11/2025	1 for 1	40.4	(9.09)	(13.79)	48.15	9.39
5. IRC Limited	1029	24/10/2025	1 for 2	325.9	(16.39)	(17.21)	(61.10)	9.76
6. Sandmartin International Holdings Limited	482	24/10/2025	1 for 1	92.3	2.70	(11.50)	N/A	5.99
7. Jiading International Group Holdings Limited	8153	24/10/2025	1 for 2	6.93	(38.78)	N/A	N/A	12.93











Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "1-TD Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "NAV Discount")	Excess application/ Compensatory arrangements
				HK\$ million	%	%	%	%	%	
35. Sanergy Group Limited	2459	7/7/2025	1-for-2	45.60	(55.60)	(56.30)	(56.70)	(45.50)	(89.00)	18.80
Minimum				6.93	(72.28)	(72.28)	(72.28)	(63.48)	(97.87)	0.15
Median				61.00	(22.38)	(24.43)	(25.35)	(12.90)	(64.68)	11.75
Maximum				325.90	2.70	(0.50)	(0.79)	1.12	65.12	24.78
Average				107.78	(25.95)	(26.91)	(27.96)	(17.85)	(48.03)	12.83
Company				174.34	(31.06)	(32.29)	(31.58)	(10.13)	(62.81)	24.51

*Note:*

- The relevant Comparable has to set the subscription price at a premium to its recent trading price prior to the rights issue to avoid the subscription price being set below the par value; accordingly, such premium rates are considered as outliers and are therefore excluded from the calculation of the premium/discount rates of the subscription price of the Comparables relative to the trading prices.
- The premium rates of the subscription price over the net asset value per issued share of the relevant Comparables are exceptionally high and considered as outliers, and are therefore excluded from the calculation of the premium/discount rates of the subscription price relative to the net assets value per share of the Comparables.
- The relevant Comparable announced a previous rights issue on 10 July 2025, terminated it on 30 July 2025, and announced a revised rights issue on 30 July 2025.

It is observed that the premium/discount rates of the LTD Discount, the 5-Day Discount, the 10-Day Discount, the TERP Discount, the NAV Discount and the theoretical dilution effect of the Rights Issue of approximately 31.06%, 32.29%, 31.58%, 10.13%, 62.81% and 24.51%, respectively, are within the market range of the Comparables. Despite the theoretical dilution effect of approximately of 24.51% is close to the maximum of the Comparables of approximately of 24.78%, having also considered:

- (i) the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue through their votes at the EGM and the Company will engage the independent financial adviser to provide a letter of advice to the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue;
- (ii) the Rights Issue provides 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 discount to the historical and prevailing market prices of the Shares;
- (iii) the Qualifying Shareholders who do not take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to make excess applications for additional Rights Shares and/or acquire additional nil-paid Rights Shares in the market;
- (iv) it is reasonable to offer discount for the Subscription Price to promote its attractiveness given the generally thin average daily trading volume for the six months preceding the Last Trading Day as mentioned above; and
- (v) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

The Board is of the view that 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.

### **Basis of provisional allotment**

The basis of provisional allotment of Rights Shares will be three (3) Rights Shares (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing the PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712 — 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Friday, 30 January 2026.

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company apart from any nominal dilution resultant from the non-issuance of fractional Rights Shares.

### **Status of the Rights Shares**

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

### **The Qualifying Shareholders**

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be a Non-Qualifying Shareholder.

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. Shareholders with their Shares held by nominee(s) (or held through CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Last Day for Transfer.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Share(s) (with the relevant share certificates) for registration with the Registrar at Shops 1712 — 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Thursday, 8 January 2026 (i.e., the Last Day for Transfer).

It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 6 January 2026, and the Shares will be dealt with on an ex-rights basis from Wednesday, 7 January 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date.

### **The Non-Qualifying Shareholders**

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

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

The Company will send the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdictions of Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (excluding the PAL and EAF) to the Non-Qualifying Shareholders for information purposes only.

### **The Overseas Shareholders**

Based on the register of members of the Company as at 17 November 2025 (being the latest available date), there are 220 Shareholders with registered addresses situated in overseas.

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. The Prospectus Documents will not be filed or registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

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

allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Such Overseas Shareholders will be regarded as Non-Qualifying Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Non-Qualifying Shareholders, if any, will be disclosed in the Prospectus.

**This announcement is not an offer of the securities for sale in the United States. The Rights Shares offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. No public offering of Rights Shares is being made in the United States. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.**

**Overseas Shareholders and beneficial owners of Shares who are 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 who are residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.**

#### **No fractional entitlement to the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and made available for excess application by Qualifying Shareholders under the EAFs.

#### **Odd lot arrangement**

No odd lot matching services will be provided.

#### **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 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 Non-Qualifying Shareholders; and
- (iii) any Rights Shares created from the aggregation of fractions of Rights Shares not provisionally allotted to the Qualifying Shareholders.

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 Friday, 30 January 2026.

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

#### **Basis of allocation of Excess Rights Shares**

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;
- (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.

### **Share certificates and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Monday, 9 February 2026. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Monday, 9 February 2026 to the applicants without interest to their registered addresses by ordinary post at their own risks.

### **Stamp duty and other applicable fees**

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

### **Taxation**

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

### **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No securities of the Company in issue or the Rights Shares for which listing or permission to deal is to be sought is listed or dealt in on any other stock exchange. Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 4,000 Shares.

## **Admission of Rights Shares into CCASS**

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

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

## **CONDITIONS OF THE RIGHTS ISSUE**

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

- (i) the passing by 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) by no later than the Prospectus Posting Date;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each 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 hereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (iii) the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus and a letter in the agreed form are made available to the Non-Qualifying Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms; and
- (v) compliance with the requirements under the applicable laws and regulations of Hong Kong

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by Tuesday, 31 March 2026, the Rights Issue will not proceed. As at the date of this announcement, no condition has been fulfilled.

**EXPECTED TIMETABLE FOR THE RIGHTS ISSUE**

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:

<b>Events</b>	<b>Time and date</b>
Expected despatch date of the circular with proxy form and notice of EGM .....	Thursday, 11 December 2025
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM .....	4:30 p.m. on Wednesday, 24 December 2025
Closure of register of members of the Company to determine entitlement to attend and vote at the EGM (both days inclusive).....	Monday, 29 December 2025 to Monday, 5 January 2026
Latest time for lodging proxy forms for the EGM.....	11:00 a.m. on Saturday, 3 January 2026
Record Date for attending and voting at the EGM.....	Monday, 5 January 2026
Expected time and date of the EGM .....	11:00 a.m. on Monday, 5 January 2026
Announcement of poll results of the EGM.....	Monday, 5 January 2026
Register of members of the Company re-opens .....	Tuesday, 6 January 2026

Last day of dealings in the Shares on a cum-rights basis of the Rights Issue .....	Tuesday, 6 January 2026
First day of dealings in the Shares on an ex-rights basis of the Rights Issue .....	Wednesday, 7 January 2026
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue .....	4:30 p.m. on Thursday, 8 January 2026
Closure of register of members of the Company to determine the entitlement to the Rights Issue (both days inclusive) .....	Friday, 9 January 2026 to Thursday, 15 January 2026
Record Date to determine entitlements to the Rights Issue .....	Thursday, 15 January 2026
Register of members of the Company re-opens .....	Friday, 16 January 2026
Despatch of the Prospectus Documents (including the PAL, EAF and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only) .....	Friday, 16 January 2026
First day of dealings in nil-paid Rights Shares .....	Tuesday, 20 January 2026
Latest time for splitting of PALs .....	4:30 p.m. on Thursday, 22 January 2026
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 27 January 2026
Latest time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares .....	4:00 p.m. on Friday, 30 January 2026
Announcement of results of the Rights Issue including the results of application for Excess Rights Shares .....	Friday, 6 February 2026
Despatch of share certificates for fully-paid Rights Shares .....	Monday, 9 February 2026

Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue does not proceed..... Monday, 9 February 2026

Commencement of dealings in fully-paid Rights Shares..... 9:00 a.m. on Tuesday, 10 February 2026

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

Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

**Effect of bad weather on the latest time for acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares**

The Latest Time for Acceptance will not take place if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” announced by the Government of Hong Kong in force in Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 30 January 2026. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 30 January 2026. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on Friday, 30 January 2026, the dates mentioned in the expected timetable may be affected. The Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

**CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY**

The register of members of the Company will be closed from Friday, 9 January 2026 to Thursday, 15 January 2026 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

## THE IRREVOCABLE UNDERTAKING

As at the date of this announcement, the Board has not received any information or irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

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

The Group is principally engaged in (i) the provision of transmission and broadcasting of television programs (the “**CMMB Business**”); and (ii) the trading of printed circuit board (“**PCB**”) and artificial intelligence (“**AI**”) related products (the “**Trading Business**”).

### *Reasons for the Rights Issue*

As disclosed in the Company’s annual report for FY2024 and the interim report for the six months period ended 30 June 2025, the Company has faced a declining revenue trend, decreasing from approximately US\$8.6 million for the year ended 31 December 2022 to approximately US\$6.4 million for FY2024. The Company also recorded continuous loss for the year since 31 December 2020. Additionally, the bank balances and cash of the Group have been low, amounted to approximately US\$889,000 as at 31 December 2024 and approximately US\$335,000 as at 30 June 2025 respectively.

During the 12 months prior to the Last Trading Day, the Company conducted two fund-raising activities, comprising a placing of new Shares under the general mandate (as detailed in the Company’s announcement dated 11 February 2025) and a subscription of new Shares under the general mandate (as detailed in the Company’s announcement dated 8 September 2025). These activities generated aggregate net proceeds of approximately HK\$16.1 million (please refer to the section headed “FUND RAISING EXERCISE IN THE PAST 12 MONTHS” below for details of the use of such net proceeds), out of which approximately HK\$15.1 million has been utilised in accordance with the intended purposes, with the remaining approximately HK\$1.0 million expected to be applied towards the Group’s general working capital by the end of 2025.

In light of the Group’s ongoing financial challenges and limited liquidity as mentioned above, the Directors consider that additional capital is essential to strengthen the financial position and business development of the Company. Regarding the CMMB Business, which is the major revenue stream of the Company, accounted for approximately 54.4% of the Company’s revenue for FY2024 and approximately 59.1% of the Company’s revenue for the six months period ended 30 June 2024, the Company intends to enhance and upgrade the existing relevant



machines and equipment used in the CMMB business in order to maintain the competitiveness of the Company. The relevant machines and equipment has been using in the CMMB Business for over 4 years and will be phased out in the near future.

Regarding the Trading Business, which accounted for approximately 45.6% of the Company's revenue for the year ended 31 December 2024 and approximately 40.9% of the Company's revenue for the six months period ended 30 June 2024, the Company intends to enhance our services using the Company's existing technology. Currently, the Trading Business operates on an outdated system that lacks a proper inventory management system to track stock and manage customer interactions, as well as limited supply chain management capabilities to optimise procurement, logistics and distribution processes. The Company is actively exploring the expansion of its online platform to modernise operations and reach a broader customers base, such as upgrading the real time checking system and integrated control system to monitor the status of the products. This digital expansion will not only improve customer accessibility but also support the integration of advanced technologies such as artificial intelligence (AI) and big data analytics. An up-to-date platform is the key to driving the Trading Business to the next level and meeting the customer's evolving needs in order to remain competitive in a rapidly changing world.

As stated in the paragraph headed "Prospects" under the section headed "Management Discussion and Analysis" of the Company's interim report of the Company for the six months period ended 30 June 2025, "The Company is deeply invested in pioneering advanced satellite communication services and applications within the science and technology sector", leverage on the existing technology of the Company can enhance the services provided to our customers in the Trading Business segment. Therefore, the Company intends to allocate approximately HK\$17.17 million for the installation of the hardware and software for the Trading Business segment in order to provide additional value-added services to our existing customers and potential new customers in order to increase the revenue to be generated from the Trading Business segment in the future.

In addition, Mr. Yang Tenghao ("Mr. Yang"), the executive Director, is an experienced expert in corporate management and media operations, with nearly two decades of experience in media communication, corporate brand operations, and cross-sector resource integration in PRC, Macau and Hong Kong. Mr. Yang has served in the broadcasting and satellite media industry, having held positions as director and general supervisor at Guangdong Television Station, special assistant to the executive chairman of the board and director of legal affairs at Hong Kong Chaosheng Satellite Television, and from 2012 to 2014, he served as chief operating officer and executive station head of Macau China Satellite Television, overseeing

channel operations, program production, and cross-regional cooperation. Based on Mr. Yang experiences in satellite and media operation as stated above, the Company are of the view that the development of application of the Company's satellite technology is positive.

#### *Use of proceeds*

Assuming full subscription under the Rights Issues and no change in the number of Shares in issue on or before the Record Date, the net proceeds from the Rights Issue, after deducting estimated expenses, are expected to be approximately HK\$162.00 million. The Company intends to allocate the net proceeds (i) as to 33.5% (approximately HK\$54.27 million) for technology development and infrastructure for the CMMB Business to improve user interfaces and experience; (ii) as to 29.2% (approximately HK\$47.30 million) for the development of the Trading Business to deliver enhanced value-added services and expand the Trading Business into the PRC market; (iii) as to 8.4% (approximately HK\$13.61 million) for hiring additional manpower for business expansion in the PRC; (iv) as to 4.2% (approximately HK\$6.80 million) for marketing campaigns and promotions; (v) as to 16.3% (approximately HK\$26.41 million) for general working capital of the Group; and (vi) as to 8.4% (approximately HK\$13.61 million) for other investment opportunities to be identified. Details are set out below:

<b>Use of proceeds</b>	<b>Allocation of the net proceeds</b> <i>HK\$'million</i> <i>(approximately)</i>	<b>Percentage of the net proceeds</b>	<b>Expected timeline on utilisation</b>
(i) technology development and infrastructure for the CMMB Business			
— upgrading broadcasting infrastructure including base stations and data centers	20.09	12.4%	
— procurement of equipment	16.04	9.9%	
— enhancement of signal transmission and content delivery systems	14.09	8.7%	
— development of software and applications	4.05	2.5%	
Sub-total	54.27	33.5%	Expected to be used by December 2027

<b>Use of proceeds</b>	<b>Allocation of the net proceeds</b> <i>HK\$'million</i> <i>(approximately)</i>	<b>Percentage of the net proceeds</b>	<b>Expected timeline on utilisation</b>
(ii) development of the Trading Business			
— development of the inventory management system to track stock and manage customer interactions	9.07	5.6%	
— expansion of the online platform and systems to modernise operations	4.05	2.5%	
— development of technical and after-sales support system and supply chain financing solutions	4.05	2.5%	
— cash flow to expand the trading cycle in the PRC market	30.13	18.6%	
Sub-total	47.30	29.2%	Expected to be used by December 2026
(iii) hiring additional manpower for business expansion in the PRC, such as additional personnel in sales & marketing, technical and administration	13.61	8.4%	Expected to be used by June 2027
(iv) marketing campaigns and promotions	6.80	4.2%	Expected to be used by December 2026
(v) general working capital, such as payment of staff salaries, settlement of professional fees, accounts and other payables, corporate utilities and expenses	26.41	16.3%	Expected to be used by December 2027

<b>Use of proceeds</b>	<b>Allocation of the net proceeds</b> <i>HK\$'million</i> <i>(approximately)</i>	<b>Percentage of the net proceeds</b>	<b>Expected timeline on utilisation</b>
(vi) Other investment opportunities to be identified	13.61	8.4%	Expected to be used by December 2027
<b>Total</b>	<b>162.00</b>	<b>100.00%</b>	

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be prioritised for technology development and infrastructure enhancement for the CMMB Business and expansion of the Trading Business. Any excess amount will be allocated proportionally to the remaining categories.

### **Rights Issue as the preferred fund-raising activity of the Group**

The Board has considered various ways of raising funds and believes that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Board has evaluated various fund-raising alternatives before deciding on the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer. Debt financing would impose an additional interest burden, increase the Group's gearing ratio and subject the Group to repayment obligations. Regarding equity fundraising, the Company recently conducted a subscription of new shares under the general mandate (as detailed in the Company's announcement dated 8 September 2025). While an open offer is similar to a rights issue in allowing qualifying shareholders to participate, it does not permit the free trading of rights entitlements in the open market. In contrast, the Board considers the Rights Issue, being pre-emptive in nature, to be the most suitable option, as it enables all qualifying shareholders to participate in the Company's future development. Additionally, it provides greater flexibility, allowing Qualifying Shareholders to maintain, increase, or decrease their pro-rata shareholdings by subscribing to their rights entitlements, acquiring additional rights entitlements, or selling their rights entitlements in the open market (subject to availability).

The Board considers that the terms of the Rights Issue are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

## EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purpose only, the shareholding structure of the Company assuming (i) no change in the number of Shares in issue on or before the Record Date; (ii) new Shares are allotted and issued upon full conversion of the Convertible Notes on or before the Record Date, but otherwise no other change in the issued Shares on or before the Record Date, are expected to be as follows:

### (i) Assuming no change in the number of Shares in issue on or before the Record Date

	Immediately after completion of the Rights Issue							
	As at the date of this announcement		Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares) (Note 2)		Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares (Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Chi Capital (Note 1)	60,857,819	50.74%	243,431,276	50.74%	243,431,276	80.47%	177,248,145	75.00%
Ms. Wang Lisu	8,000,000	6.67%	32,000,000	6.67%	8,000,000	2.64%	8,000,000	3.39%
Other public Shareholders	<u>51,082,715</u>	<u>42.59%</u>	<u>204,330,860</u>	<u>42.59%</u>	<u>51,082,715</u>	<u>16.89%</u>	<u>51,082,715</u>	<u>21.61%</u>
	<u>119,940,534</u>	<u>100.00%</u>	<u>479,762,136</u>	<u>100.00%</u>	<u>302,513,991</u>	<u>100.00%</u>	<u>236,330,860</u>	<u>100.00%</u>

#### Notes:

- As at the date of this announcement, Chi Capital is interested in 60,857,819 Shares, of which (i) 53,307,628 Shares are held by the Chi Capital.; and (ii) 7,550,191 Shares are held by Chi Capital Securities Limited, which is wholly-owned by Chi Capital. Chi Capital is wholly-owned by Mr. Wong.
- Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares (b) no Qualifying Shareholders has applied for the Excess Rights Shares; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, there will be 59,082,715 Shares held by public Shareholders, representing approximately 19.53% of the total issued Shares as enlarged by the allotment and issue of the Rights Shares, which will below the minimum public float requirement of 25% under the Listing Rules. The Company has power and authority to apply adjustments to such number of Rights Shares to be offered to Chi Capital such that the minimum public float requirement under the Listing Rules, i.e. at least 25% of the Shares are held by the public at all times, is satisfied immediately after completion of the Rights Issue.

3. In the event that that total issued Shares as enlarged by the allotment and issue of the Rights Shares is below the minimum public float requirement of 25% under the Listing Rules, the Company will apply adjustments to and scale down the number of fully-paid Rights Shares to be allotted and issued to Chi Capital.

For illustration purpose only, assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, a total number of 66,183,131 fully-paid Rights Shares will not be allotted and issued to Chi Capital such that at least 25% of the total number of issued Shares are held by public immediately after completion of the Rights Issue. The Subscription Price in respect of the 66,183,131 unallotted and unissued Rights Shares will be refunded to Chi Capital, and the size of the Rights Issue will be reduced accordingly.

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

**(ii) Assuming new Shares are allotted and issued upon full conversion of the Convertible Notes on or before the Record Date, but otherwise no other change in the issued Shares on or before the Record Date**

	Immediately after completion of the Rights Issue							
	Assuming new Shares are allotted and issued upon full conversion of the Convertible Notes on or before the Record Date		Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares) (Note 3)		Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares (Note 4)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Chi Capital (Notes 1 & 2)	68,637,819	53.74%	274,551,276	53.74%	274,551,276	82.29%	177,248,145	75.00%
Ms. Wang Lisu	8,000,000	6.26%	32,000,000	6.26%	8,000,000	2.40%	8,000,000	3.39%
Other public Shareholders	<u>51,082,715</u>	<u>40.00%</u>	<u>204,330,860</u>	<u>40.00%</u>	<u>51,082,715</u>	<u>15.31%</u>	<u>51,082,715</u>	<u>21.61%</u>
	<u>127,720,534</u>	<u>100.00%</u>	<u>510,882,136</u>	<u>100.00%</u>	<u>333,633,991</u>	<u>100.00%</u>	<u>236,330,860</u>	<u>100.00%</u>

*Notes:*

1. As at the date of this announcement, Chi Capital holds the Convertible Notes with the outstanding principal amount of US\$7,000,000, which are convertible into 7,780,000 Shares, subject to the conditions and terms of the instrument of the Convertible Notes. According to the instrument, Chi Capital is not entitled to exercise the conversion rights if (i) the public float of the Company falls below the minimum public float requirement under Rule 8.08 of the Listing Rules; or (ii) the aggregate shareholding interest to be held by Chi Capital in the Company upon conversion, together with the shareholding interest of the parties acting in concert with it in the Company, to become equal to exceed 30% of the total Shares in issue or any other threshold which will trigger the obligation on the part of Chi Capital to make a mandatory general offer pursuant to the Takeovers Code.
2. For illustration purpose only, assuming Chi Capital fully converts the Convertible Notes on or before the Record Date and no other new Shares will be allotted, Chi Capital will be interested in 68,637,819 Shares, of which (i) 7,780,000 Shares being converted from the Convertible Notes; (ii) 53,307,628 Shares are held by the Chi Capital; and (iii) 7,550,191 Shares are held by Chi Capital Securities Limited, which is wholly-owned by Chi Capital. Chi Capital is wholly-owned by Mr. Wong.
3. Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares (b) no Qualifying Shareholders has applied for the Excess Rights Shares; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, there will be 59,082,715 Shares held by public Shareholders, representing approximately 17.71% of the total issued Shares as enlarged by the allotment and issue of the Rights Shares, which will below the minimum public float requirement of 25% under the Listing Rules. The Company has power and authority to apply adjustments to such number of Rights Shares to be offered to Chi Capital such that the minimum public float requirement under the Listing Rules, i.e. at least 25% of the Shares are held by the public at all times, is satisfied immediately after completion of the Rights Issue.
4. In the event that that total issued Shares as enlarged by the allotment and issue of the Rights Shares is below the minimum public float requirement of 25% under the Listing Rules, the Company will apply adjustments to and scale down the number of fully-paid Rights Shars to be allotted and issued to Chi Capital.

For illustration purpose only, assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, a total number of 97,303,131 fully-paid Rights Shares will not be allotted and issued to Chi Capital such that at least 25% of the total number of issued Shares are held by public immediately after completion of the Rights Issue. The Subscription Price in respect of the 97,303,131 unallotted and unissued Rights Shares will be refunded to Chi Capital, and the size of the Rights Issue will be reduced accordingly.

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



## FUND RAISING EXERCISE IN THE PAST 12 MONTHS

Set out below is the fundraising activities conducted by the Company during the past twelve months immediately prior to the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
11 February 2025	Subscription of new shares under general mandate	HK\$4,765,000	(i) approximately HK\$2.0 million for payment of professional fees; and  (ii) approximately HK\$2.8 million for payment of staff salaries, office rental, utilities and other operating expenses	Used as intended
8 September 2025	Subscription of new shares under general mandate	HK\$11,300,000	(i) approximately HK\$4.0 million for payment of professional fees;  (ii) approximately HK\$3.0 million for enhance cashflow for trading business; and  (iii) approximately HK\$4.3 million for payment of staff salaries, office rental, utilities and other operating expenses	Save for approximately HK\$1 million which is expected to be utilised for payment of staff salaries, office rental, utilities and other operating expenses as intended by December 2025, other net proceeds are fully used as intended

## POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE NOTES

As at the date of this announcement, the Company has outstanding Convertible Notes which is convertible into 7,780,000 Shares. Pursuant to the terms of the Convertible Notes, the conversion price of the Convertible Notes is subject to adjustment upon the occurrence of, among others, rights issues of the Company.

The Company will notify the holders of the Convertible Notes and the Shareholders by way of announcement as and when appropriate regarding adjustments to be made (if any) pursuant to the terms and conditions of the Convertible Notes.

## 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 (excluding treasury shares) by more than 50% within the 12-month period immediately preceding the date of this announcement, 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 resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, Chi Capital, being a controlling shareholder of the Company, directly holds 60,857,819 Shares, representing approximately 50.74% of the total issued share capital of the Company as at the date of this announcement. Chi Capital is a company wholly-owned by Mr. Wong, the chairman of the Board and the executive Director of the Company. Accordingly, Chi Capital, Mr. Wong 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 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 7.27B of the Listing Rules.

Save for Mr. Lui, who is the non-executive Director and one of the directors of the Financial Adviser, the Financial Adviser is independent of the connected persons of the Company under the Listing Rules. Except for Mr. Lui, none of the Directors has a material interest in the engagement of the Financial Adviser and the transaction contemplated thereunder and therefore no Director (other than Mr. Lui) is required to abstain from voting on the Board resolution(s) of the Company to approve the engagement of the Financial Adviser and the transactions contemplated thereunder.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder. A circular containing, among other things, (i) the Rights Issue; (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; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Thursday, 11 December 2025.

In order to be registered as a member of the Company on the record date for attendance and voting at the EGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 24 December 2025.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chow Kin Wing, Mr. Lam Cheung Shing Richard and Mr. Tam Hon Wah, 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.

Subject to the approval of the Rights Issue by the Independent Shareholders, the Prospectus Documents containing further details of the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Friday, 16 January 2026. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders (if any).

## **RISKS OF DEALING IN SHARES AND 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 Shares and/or 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 Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.**

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

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms will have the meanings respectively ascribed below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chi Capital”	Chi Capital Holdings Ltd, a controlling shareholder of the Company and a company incorporated in the British Virgin Islands with limited liabilities, which is wholly-owned by Mr. Wong as at the date of this announcement
“CMMB Business”	the provision of transmission and broadcasting of television programs business of the Group
“Company”	Silkwave Inc, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 471)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Notes”	the 7-year zero coupon unsecured unlisted convertible notes in the aggregate principal amount of US\$65,000,000 issued by the Company in accordance with the terms of the subscription agreement dated 29 June 2021
“Director(s)”	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 to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder
“Excess Rights Shares”	any Rights Shares provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Non-Qualifying Shareholders, and any Rights Shares created from the aggregation of fractions
Financial Adviser	Kingston Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Company in relation to the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Chow Kin Wing, Mr. Lam Cheung Shing Richard and Mr. Tam Hon Wah, which has been established to advise 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 Listing Rules
“Last Day for Transfer”	Thursday, 8 January 2026, 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

“Last Trading Day”	Wednesday, 19 November 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 30 January 2026, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess 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, as amended, supplemented or otherwise modified from time to time
“Mr. Lui”	Mr. Lui Chun Pong, who is the non-executive Director and one of the directors of the Financial Adviser
“Mr. Wong”	Mr. Wong Chau Chi, who is the chairman of the Board, the Chief Executive Officer and the controlling Shareholder of the Company
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable 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 or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
“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) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue

“PRC”	the People’s Republic of China, and 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 by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF to be issued by the Company
“Prospectus Posting Date”	Friday, 16 January 2026, or such other date as the Company may determine, being the date of which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“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 Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 15 January 2026, or such other date as the Company may determine, being the date for determining entitlements of the Shareholders to participate in the Rights Issue
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Shops 1712—1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to (i) 359,821,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) 383,161,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)



“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.455 per Rights Share
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Trading Business”	the trading of printed circuit board and artificial intelligence related products business of the Group
“United States”	the United States of America
“%”	per cent

By order of the Board  
**SILKWAVE INC**  
**Wong Chau Chi**  
*Chairman*

Hong Kong, 19 November 2025

*As at the date of this announcement, the executive directors are Mr. WONG Chau Chi, Mr. YANG Tenghao and Ms. WOO Lan Ying; the non-executive director is Mr. LUI Chun Pong; and the independent non-executive directors are Mr. CHOW Kin Wing, Mr. LAM Cheung Shing Richard and Mr. TAM Hon Wah.*