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**(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**  
**(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS**  
**SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD**  
**DATE ON A NON-UNDERWRITTEN BASIS; AND**  
**(3) CONNECTED TRANSACTION IN RELATION TO**  
**THE SET-OFF ARRANGEMENT**

**Financial Adviser**  
**VEDA | CAPITAL**  
智略資本

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**

**軟庫中華 SBI China**

**Placing Agent**  
 **太陽證券有限公司**  
SUN SECURITIES LIMITED

### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$50,000,000 divided into 500,000,000 Shares to HK\$400,000,000 divided into 4,000,000,000 Shares by the creation of an additional 3,500,000,000 unissued Shares of HK\$0.1 each. All such Shares shall rank pari passu in all respects. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

## PROPOSED RIGHTS ISSUE

The Board proposes to implement the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.105 per Rights Share, to raise up to approximately HK\$121.6 million before the Set-off Arrangement and expenses by way of issuing up to 1,158,221,124 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date). The estimated net proceeds of the Rights Issue (taking into account the effect of the Set-off and deducting the related expenses for the Rights Issue), will not be more than approximately HK\$62.5 million (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date and all Qualifying Shareholders taking up their respective entitlement under the Rights Issue in full).

The Company will provisionally allot to the Qualifying Shareholders four (4) Rights Shares in nil-paid form for every one (1) existing Share in issue and held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders.

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

## THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

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

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

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and be a Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Share Registrar for registration by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 4 March 2026.

The last day of dealing in the Shares on a cum-rights basis is Monday, 2 March 2026. The Shares will be dealt with on an ex-rights basis from Tuesday, 3 March 2026.

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares by offering the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares to independent placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 14 January 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares to independent placees on a best effort basis. For details of the Placing Agreement and the Compensatory Arrangements, please refer to the section headed “Procedures in respect of the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares and the Compensatory Arrangements” in this announcement.

## THE UNDERTAKINGS

### **Rights Issue**

As at the date of this announcement, Mr. Lui is beneficially interested in an aggregate of 137,886,046 Shares, representing approximately 47.62% of the issued share capital of the Company. On 14 January 2026, Mr. Lui has given the Undertaking in favour of the Company, that (i) he will not dispose of any of the 137,886,046 Shares comprising the current shareholding in the Company beneficially owned by himself, and such Shares will remain beneficially owned by him up to and including the Record Date; (ii) he will lodge his acceptance of the 551,544,184 Rights Shares, which will be the number of Rights Shares provisionally allotted to him in nil-paid form under the Rights Issue, with the Share Registrar or the Company, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and (iii) pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, when the rights issue is not fully underwritten and on the basis that if the issue is not fully taken up, the application of the Shareholder for his/her/its assured entitlement under the Rights Issue can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code, he consents that, in the event of an under-subscription of the Rights Issue, the Company has power and authority to scale down his assured entitlement under the Rights issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code immediately after completion of the Rights Issue.

## **SET-OFF ARRANGEMENT**

As at the Last Trading Day, the Company was indebted to Mr. Lui an aggregate amount of approximately HK\$71 million in outstanding principal amount and accrued interest under the Shareholder's Loans. Pursuant to the Undertaking, Mr. Lui conditionally agreed to the Set-off whereby approximately HK\$57.9 million required to be paid by Mr. Lui for the subscription of 551,544,184 Rights Shares provisionally allotted to him pursuant to the Rights Issue would be set-off against the Shareholder's Loans of approximately HK\$71 million on a dollar-for-dollar basis.

## **LISTING RULES IMPLICATIONS**

### **Rights Issue**

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the EGM at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As such, the controlling shareholder of the Company, namely Mr. Lui and his associates shall abstain from voting in favour of the resolution(s) to approve the Rights Issue at the EGM. 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.

### **Connected transactions in relation to the Set-off Arrangement**

Mr. Lui is a controlling Shareholder holding 137,886,046 Shares, representing approximately 47.62% of the issued share capital of the Company as at the date of this announcement. The Set-off Arrangement would therefore constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting and announcement requirements and the approval of the Independent Shareholders at the EGM under the Listing Rules.

Mr. Lui will abstain from voting of the Set-off Arrangement at the EGM. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Lui, no other Shareholder is required or indicated his intention to abstain from voting in respect of the resolution(s) relating to the Set-off Arrangement at the EGM.

### **Increase in authorized share capital**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution on the Increase in Authorised Share Capital at the EGM.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Ko Tsz Kin, Mr. Wong Yue Fai and Prof. Jiang Zhihong has been established to advise the Independent Shareholders as to (i) whether the terms of the Rights Issue and the Set-off Arrangement are fair and reasonable and in the interests of the Shareholders and the Company as a whole; and (ii) how to vote on the resolution(s) relating to the Rights Issue and the Set-off Arrangement.

In this connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue and the Set-off Arrangement and the respective voting recommendations.

The Circular containing, among other things, (i) further details of the Rights Issue, the Set-off Arrangement and Increase in Authorised Share Capital; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the Set-off Arrangement; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Set-off Arrangement; (iv) the notice convening the EGM; and (v) other disclosure requirements under the Listing Rules is expected to be despatched by the Company to the Shareholders on or before Wednesday, 4 February 2026.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date. The Prospectus (without the PAL) and a letter to the Excluded Shareholders (if any) explaining the circumstances in which they are not permitted to participate in the Rights Issue will be despatched to the Excluded Shareholders (if any) for their information only also on the Posting Date.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve (i) the Rights Issue; (ii) the Set-off Arrangement and (iii) the Increase in Authorised Share Capital, each in accordance with the Listing Rules.

## **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND/OR RIGHTS SHARES IN NIL-PAID FORM**

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

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

**Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and the results of the Placing. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders and the Placing Shares not placed under the Placing Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.**

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$50,000,000 divided into 500,000,000 Shares to HK\$400,000,000 divided into 4,000,000,000 Shares by creating an additional 3,500,000,000 unissued Shares. All such Shares shall rank pari passu in all respects. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

## **PROPOSED RIGHTS ISSUE**

The Rights Issue is proposed to take place with the terms set out as follows:

### **Issue statistics**

Basis of the Rights Issue	: Four (4) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date
Subscription Price	: HK\$0.105 per Rights Share
Number of Shares in issue as at the date of this announcement	: 289,555,281 Shares
Number of Rights Shares	: Up to 1,158,221,124 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	: Up to HK\$115,822,112.40 (assuming no change in the share capital of the Company on or before the Record Date)

Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 1,447,776,405 Shares (assuming 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)
Number of Rights Shares being undertaken by Mr. Lui	:	Up to 551,544,184 Rights Shares (the actual amount of Rights Shares to be taken up by Mr. Lui will depend on the level of subscription taken up by the Qualifying Shareholders and the results of the Placing such that it will not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code immediately after completion of the Rights Issue)
Gross proceeds to be raised from the Rights Issue	:	Up to approximately HK\$121.6 million before the expenses and the Set-off Arrangement

As at the date of this announcement, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date, 1,158,221,124 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 400% of the total number of issued Shares as at the date of this announcement; and (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and Excluded Unsold Rights Shares will be placed to independent placees on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and Excluded Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

## **Subscription Price**

The Subscription Price is HK\$0.105 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 42.86% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 39.81% to the average of the closing prices of approximately HK\$0.147 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iii) a discount of approximately 8.57% to the theoretical ex-rights price of HK\$0.114 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a premium of approximately HK\$0.112 over the unaudited consolidated net deficit per Share of approximately HK\$0.217 (based on the latest published unaudited consolidated net deficit of approximately HK\$62,731,000 as at 30 June 2025 and the total number of issued Shares as at the date of this announcement); and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.00% represented by the theoretical diluted price of approximately HK\$0.114 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.150 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of approximately HK\$0.147 per Share) of approximately HK\$0.150 per Share.

The Subscription Price was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions and the relevant discount to the closing prices; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for the Rights Issue as discussed in the section headed “Reasons for the Rights Issue and the Set-Off Arrangement” in this announcement.

The Directors (excluding the independent non-executive Directors whose view will be formed after considering the opinion of the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their provisional allotments and to participate in the potential growth of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil- paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company on the Record Date; and
- (ii) not an Excluded Shareholder.

In order to be registered as members of the Company on the Record Date, transfer documents (together with the relevant share certificates) must be lodged with the Share Registrar no later than 4:30 p.m. on Wednesday, 4 March 2026.

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

### **Rights of Overseas Shareholders**

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

The Company notes the requirements specified in the notes to Rule 13.36(2)(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 Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

As at the date of this announcement, there are 6 Overseas Shareholders in the PRC with the following shareholding structure:

Number of Shareholder(s)	Number of Overseas Shareholder(s) in the jurisdiction	Aggregated number of Shares held by Overseas Shareholder(s) in the jurisdiction	Approximate % of the issued share capital of the Company (note)
PRC	1,260,000	1,260,000	0.43%

*Note:* The percentage figures have been subject to rounding adjustment. Any discrepancies between totals and sums of amount listed herein are due to rounding adjustment.

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

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

#### **Closure of register of members**

The register of members of the Company will be closed from Thursday, 5 March 2026 to Wednesday, 11 March 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

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

## **Basis of provisional allotment**

The basis of the provisional allotment shall be four (4) Rights Shares for every one (1) existing Share in issue and held by the Qualifying Shareholders on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Share Registrar on or before the Latest Time for Acceptance.

## **Fractional entitlements to the Rights Shares**

On the basis of provisional allotment of four (4) Rights Shares for every one (1) existing Share held, no fractional entitlement to Rights Shares shall arise.

## **Status of the Rights Shares**

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

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

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 27 April 2026. Those entitled, except HKSCC Nominees Limited, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto. Refund cheques are expected to be posted on or before Monday, 27 April 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses if the Rights Issue is terminated.

## **Procedures in respect of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares and the Compensatory Arrangements**

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares by offering the Unsubscribed Rights Shares and Excluded Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 14 January 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares to the independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and Excluded Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m. on Wednesday, 15 April 2026, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and Excluded Unsold Rights Shares. Any Unsubscribed Rights Shares and Excluded Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

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

### **Placing Agreement for the Unsubscribed Rights Shares and Excluded Unsold Rights Shares**

Principal terms of the Placing Agreement are summarised as follows:

Date	:	14 January 2026 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Placing Agent	:	Sun Securities Limited, a corporation licensed to engage in type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and Excluded Unsold Rights Shares during the Placing Period.
Placing Period	:	The period commencing from Wednesday, 8 April 2026 and ending at 6:00 p.m. on Wednesday, 15 April 2026.

Commission and expenses	: <p>Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong Dollars, of 1.25% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and Excluded Unsold Rights Shares that have been successfully placed by the Placing Agent and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreement. Assuming, save for Mr. Lui, none of the Qualifying Shareholders has taken up their entitled Rights Shares and all Unsubscribed Rights Shares and the Excluded Unsold Rights Shares have been placed by the Placed Agent, the total placing commission will be approximately HK\$0.796 million in cash to be deducted from the gross proceeds of the Rights Issue.</p>
Placing price of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares	: <p>The placing price of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares shall be not less than the Subscription Price.</p> <p>The final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares during the process of placement.</p>
Placees	: <p>The Unsubscribed Rights Shares and Excluded Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and none of the placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other placees.</p> <p>For the avoidance of doubt, no placee shall become a substantial Shareholder.</p> <p>The Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.</p>

Ranking of the placed Unsubscribed Rights Shares and Excluded Unsold Rights Shares	: The placed Unsubscribed Rights Shares and Excluded Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank <i>pari passu</i> in all respects among themselves and with the Shares in issue as at the date of completion of the Rights Issue.
Conditions of the Placing Agreement	: The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled: <ul style="list-style-type: none"> <li>(i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;</li> <li>(ii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Rights Issue, the Increase in Authorised Share Capital and the respective transactions contemplated thereunder;</li> <li>(iii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;</li> <li>(iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and</li> <li>(v) the Placing Agreement not having been terminated in accordance with the provisions thereof.</li> </ul>

Save for condition (iv) which may be waived by either party by notice in writing to the other party, none of the above conditions is capable of being waived.

In the event that the above condition precedents have not been fulfilled or waived (as the case may be) on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

Termination

- : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:
  - (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
  - (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or

- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (a) the passing of all the necessary resolution(s) at the EGM to be convened to consider and, approve, among others, the Increase in Authorised Share Capital, the Rights Issue and the respective transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Shareholders or the Independent Shareholders (as the case may be);
- (b) the Increase in Authorised Share Capital having become effective;
- (c) 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 Posting Date;
- (d) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded 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 Posting Date;
- (e) 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;
- (f) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (g) compliance with the requirements under the applicable laws and regulations of Hong Kong.

All conditions set out above cannot be waived by any party. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

## **Application for listing of the Rights Shares and the Placing Shares**

The Company will apply to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms, and the Placing Shares.

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, and the Placing Shares 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, and the Placing Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms, and the Placing Shares or such other dates as may be 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 HKSCC and HKSCC Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms and the Placing Shares which are registered in the register of members of the Company in Hong Kong will be in the board lots of 10,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

There will be no odd lot matching arrangement for the Rights Shares in their nil-paid or fully paid form and the Placing Shares.

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

## **THE UNDERTAKING**

As at the date of this announcement, Mr. Lui is beneficially interested in an aggregate of 137,886,046 Shares, representing approximately 47.62% of the issued share capital of the Company. On 14 January 2026, Mr. Lui has given the Undertaking in favour of the Company, that (i) he will not dispose of any of the 137,886,046 Shares comprising the current shareholding in the Company beneficially owned by himself, and such Shares will remain beneficially owned by him up to and including the Record Date; (ii) he will lodge his acceptance of the 551,544,184 Rights Shares, which will be the number of Rights Shares provisionally allotted to him in nil-paid form under the Rights Issue, with the Share Registrar or the Company, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and (iii) pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, when the rights issue is not fully underwritten and on the basis that if the issue is not fully taken up, the application of the Shareholder for his/her/its assured entitlement under the Rights Issue can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code, he consents that, in the event of an under-subscription of the Rights Issue, the Company has power and authority to scale down Mr. Lui's assured entitlement under the Rights issue to a level which does not trigger an obligation to make a general offer under the Takeovers Code immediately after completion of the Rights Issue.

## **THE SET-OFF ARRANGEMENT**

The Shareholder's Loans have been provided by Mr. Lui to the Group from time to time since 2020 for the purpose of financing its general working capital requirement. The Shareholder's Loans are unsecured and bear interest of 5% per annum. Having considered that (i) the Group was not required to provide any collateral for the Shareholder's Loans, and (ii) the interest rate of the Shareholder's Loans is significantly lower as compared to the interest rates offered by banks in Hong Kong which range between approximately 7% to 9% per annum, the Directors consider the terms of the Shareholder's Loans to be on normal commercial terms or better to the Company. As at the Last Trading Day, the Company was indebted to Mr. Lui an aggregate amount of approximately HK\$71 million in outstanding principal amount and accrued interest under the Shareholder's Loans.

Pursuant to the Undertaking, Mr. Lui conditionally agreed to the Set-off whereby approximately HK\$57.9 million required to be paid by Mr. Lui for the subscription of 551,544,184 Rights Shares provisionally allotted to him pursuant to the Rights Issue would be set-off against the Shareholder's Loans of approximately HK\$71 million on a dollar-for dollar basis.

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

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons as announced by the Government of Hong Kong or a "black" rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 26 March 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 26 March 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Thursday, 26 March 2026, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

## CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date); and (iii) when applicable, immediately after the completions of the Rights Issue and the Placing Agreement:

Immediately after completion of the Rights Issue and the Placing Agreement								
As at the date of this announcement			Assuming all Qualifying Shareholders have taken up the Rights Shares			Assuming no Qualifying Shareholders (except Mr. Lui pursuant to the Undertaking) had taken up their Rights Shares entitlement and all the Placing Shares have been placed		
No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares
Mr. Lui	137,886,046	47.62	689,430,230	47.62	689,430,230	47.62	149,376,046	49.62
Independent Shareholders	151,669,235	52.38	758,346,175	52.38	151,669,235	10.48	151,669,235	50.38
Independent placees	—	0.00	—	0.00	606,676,940	41.9	—	0.00
Total	<u>289,555,281</u>	<u>10.00</u>	<u>1,447,776,405</u>	<u>100.00</u>	<u>1,447,776,405</u>	<u>100.00</u>	<u>301,045,281</u>	<u>100.00</u>

*Note:* In the event of an under-subscription of the Rights Issue, pursuant to the note of Rule 7.19(5)(b) of the Listing Rules, which sets out that an issuer may provide for shareholders to apply on the basis that, if the issue is not fully taken up, their application can be “scaled” down to a level which does not trigger an obligation to make a general offer after completion of the Rights Issue and the Placing (i.e. Mr. Lui’s shareholding cannot be increased by more than 2% immediately after the completion of the Rights Issue).

## USE OF PROCEEDS

Assuming full subscription under the Rights Issue (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date), the gross proceeds from the Rights Issue will be approximately HK\$121.6 million and the estimated net proceeds of the Rights Issue after the Set-off Arrangement and deducting the related expenses will be approximately HK\$62.5 million. The Company intends to use the net proceeds from the Rights Issue for the followings:

- as to approximately HK\$41.2 million will be used for repayment of overdue bank loans and the interests incurred therefrom;
- as to approximately HK\$13.1 million will be used for repayment of the balance of the Shareholder’s Loans after the Set Off;
- as to approximately HK\$7.7 million will be used for repayment of the outstanding trade and other payables; and

(d) as to the remaining of approximately HK\$0.5 million will be used as general working capital of the Group, including day-to-day salaries, office administrative overheads and selling and distribution expenses.

For the avoidance of doubt, if the Rights Issue is not fully-subscribed, the cash proceeds generated from Shareholders other than Mr. Lui and his associates under the Rights Issue will be first applied towards the repayment of the Group's overdue bank loans and outstanding trade and other payables.

As disclosed in the annual report for the year ended 31 December 2024, the Group recorded a net loss of approximately HK\$86 million. As disclosed in the interim report for the six months ended 30 June 2025, the Group recorded a net loss attributable to owners of the Company of approximately HK\$8.7 million. The Group recorded total deficit of approximately HK\$54 million as at 31 December 2024 and total deficit of approximately HK\$62 million as at 30 June 2025. As at 31 December 2024 and 30 June 2025, the Group had cash and cash balances of approximately HK\$308,000 and HK\$628,000 respectively. As such, taking into account (i) the current financial position of the Group; and (ii) the intended use of proceeds for the future development of the Group set out above, the Directors considered that the Group has an urgent funding need in raising additional cash and strengthen the financial position as well as liquidity of the Group through the Rights Issue. For other factors considered by the Directors in other fund raising alternatives, please refer to the "Reasons for the Rights Issue and the Set-off Arrangement" below.

In the event that there is an under-subscription of the Rights Issue other than those under the Undertakings and after adjustments to number of Rights Shares offered to Mr. Lui, after the Set-off Arrangement there will be no proceeds from the Rights Issue.

## **REASONS FOR THE RIGHTS ISSUE AND THE SET-OFF ARRANGEMENT**

Assuming full subscription under the Rights Issue and the implementation of Set-off Arrangement, the net proceeds from the Rights Issue after the Set-off Arrangement and deducting the related expenses, are estimated to be approximately HK\$62.5 million.

The Group is principally engaged in the stone sales and supply and installation of marble products in Hong Kong, Macau and the PRC.

The Directors (other than the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) have considered other financing alternatives including (i) additional debt financing; and (ii) equity fund raising such as sole placement of the Shares and open offer. The Directors (other than the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) are of the view that while additional debt financing will further increase the Group's gearing ratio and worsen the net deficit position of the Group, it will also increase the ongoing interest expenses of the Group which may in turn affect the profitability of the Company.

As for equity fund raising, such as sole placement of Shares, it is a common market practice to conduct such activity on a best-effort basis and accordingly the amount to be raised would be uncertain and subject to the then market conditions. In addition, for placement of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. In addition, to raise fund from placing, substantial amount of securities must be issued and usually the subscriber(s) may ask for a relatively deeper discount to the trading price of the Shares in view of the substantial amount of securities involved.

As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate in, but it does not allow the trading of rights entitlements in the open market.

The Directors (other than the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing its financial position without any ongoing burden of interest expenses, and also offer all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlements under the Rights Issue in full.

In considering methods of settlement of the amount owed to Mr. Lui by the Company, the Company also considered loan capitalisation by issuing Shares to Mr. Lui as a form of repayment to Mr. Lui. However, such loan capitalisation would cause an immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. Furthermore, a loan capitalisation would not raise any proceeds for the Group for its business and working capital use while the Rights Issue would enable the Company to raise additional capital. Besides, the Set-off Arrangement would reduce the interest obligation and burden caused on the financial performance and daily cash outflow of the Group in the long run.

Taking into account the costs and benefits of each of the alternatives as compared with the Rights Issue, the Directors (other than the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) consider raising funds by way of the Rights Issue is more attractive and feasible in the current market condition, and thus, in the interests of the Company and the Shareholders as a whole.

## FUND RAISING EXERCISE IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds raised (approximately)	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
19 September 2025	Issue of new Shares under general mandate	HK\$11.78 million	<ul style="list-style-type: none"><li>— approximately HK\$5.89 million for the repayment of bank loans</li><li>— approximately HK\$2.94 million for the settlement of other debts and payables</li><li>— approximately HK\$2.94 million for general working capital of the Group</li></ul>	<ul style="list-style-type: none"><li>— approximately HK\$2.7 million for the repayment of bank loans</li><li>— approximately HK\$1.55 million for the settlement of other debts and payables</li><li>— approximately HK\$0.4 million for general working capital of the Group</li></ul>

## WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR RIGHTS SHARES IN NIL-PAID FORM

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

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

**Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares, the level of subscription of the excess Rights Shares and the results of the Placing. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders and the Placing Shares not placed under the Placing Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.**

## **LISTING RULES IMPLICATIONS**

### **Rights Issue and the Set-off Arrangement**

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own and when aggregated with a specific mandate to issue new Shares within 12-month period immediately preceding this announcement. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the EGM at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As Mr. Lui is a controlling Shareholder holding 137,886,046 Shares, representing approximately 47.62% of the issued share capital of the Company as at the date of this announcement the Set-off Arrangement would therefore constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are therefore subject to the reporting and announcement requirements and the approval of the Independent Shareholders at the EGM under the Listing Rules.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Rights Issue and the Set-off Arrangement. The controlling shareholder of the Company, namely Mr. Lui and his associates will abstain from voting in favour of the resolution(s) to approve the Rights Issue and the Set-off Arrangement at the EGM.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Lui and his associates, no other Shareholder is required or indicated his intention to abstain from voting on the Placing, the Possible Subscription and the Set-off Arrangement at the EGM.

### **Increase in authorized share capital**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution on the Increase in Authorised Share Capital at the EGM.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Ko Tsz Kin, Mr. Wong Yue Fai and Prof. Jiang Zhihong has been established to advise the Independent Shareholders as to (i) whether the terms of the Rights Issue and the Set-off Arrangement are fair and reasonable and in the interests of the Shareholders and the Company as a whole; and (ii) how to vote on the resolution(s) relating to the Rights Issue and the Set-off Arrangement.

In this connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue and the Set-off Arrangement and the respective voting recommendations.

The Circular containing, among other things, (i) further details of the Rights Issue, the Set-off Arrangement and Increase in Authorised Share Capital; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the Set-off Arrangement; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Set-off Arrangement; (iv) the notice convening the EGM; and (v) other disclosure requirements under the Listing Rules is expected to be despatched by the Company to the Shareholders on or before Wednesday, 4 February 2026.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date. The Prospectus (without the PAL) and a letter to the Excluded Shareholders (if any) explaining the circumstances in which they are not permitted to participate in the Rights Issue will be despatched to the Excluded Shareholders (if any) for their information only also on the Posting Date.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve (i) the Rights Issue; (ii) the Set-off Arrangement and (iii) the Increase in Authorised Share Capital, each in accordance with the Listing Rules.

## **EXPECTED TIMETABLE**

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

<b>Event</b>	<b>Time and date in 2026</b>
Date of the announcement in respect of the Rights Issue, the Set-Off Arrangement and the Increase in Authorised Share Capital .....	Wednesday, 14 January
Expected despatch date of Circular with notice and form of proxy for the EGM .....	Wednesday, 4 February
Latest time for lodging transfer documents to qualify for attendance and voting at the EGM.....	4:30 p.m. on Friday, 20 February
Closure of register of members of the Company for attending and voting at the EGM (both dates inclusive).....	Monday, 23 February to Friday, 27 February
Latest time for lodging forms of proxy for the purpose of the EGM .....	11:00 a.m. on Wednesday, 25 February
Record date for determining attendance and voting at the EGM.....	Friday, 27 February
Expected date and time of the EGM.....	11:00 a.m. on Friday, 27 February
Announcement of poll results of the EGM .....	Friday, 27 February
Register of members of the Company re-opens.....	Monday, 2 March
Last day of dealing in the Shares on a cum-rights basis.....	Monday, 2 March
First day of dealing in the Shares on an ex-rights basis.....	Tuesday, 3 March
Latest time for the Shareholders to lodge transfer documents to Shares in order to qualify for the Rights Issue .....	4:30 p.m. on Wednesday, 4 March
Closure of the register of members to determine the entitlements to the Rights Issue (both dates inclusive) .....	Thursday, 5 March to Wednesday, 11 March
Record Date for determining entitlements to the Rights Issue.....	Wednesday, 11 March

<b>Event</b>	<b>Time and date in 2026</b>
Re-opening of the register of members of the Company .....	Thursday, 12 March
Despatch of Prospectus Documents (in the case of Excluded Shareholders, the Prospectus only) .....	Thursday, 12 March
First day of dealing in nil-paid Rights Shares .....	Monday, 16 March
Latest time for splitting of the PAL .....	4:30 p.m. on Wednesday, 18 March
Last day of dealings in nil-paid Rights Shares .....	Monday, 23 March
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain.....	4:00 p.m. on Thursday, 26 March
Latest Time for Acceptance of and payment for the Rights Shares .....	4:00 p.m. on Thursday, 26 March
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements .....	Thursday, 2 April
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent .....	Wednesday, 8 April
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent .....	6:00 p.m. on Wednesday, 15 April
Latest time for the Rights Issue and the Placing Agreement to become unconditional .....	6:00 p.m. on Friday, 17 April
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company.....	Friday, 24 April
Despatch of share certificates of fully-paid Rights Shares and completion of the placing of Unsubscribed Rights Share to take place .....	Monday, 27 April
Despatch of refund cheques, if any, if the Rights Issue is terminated.....	Monday, 27 April
Commencement of dealings in fully-paid Rights Shares.....	9:00 a.m. on Tuesday, 28 April
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any) .....	Monday, 4 May

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

## DEFINITIONS

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

“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 any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be issued by the Company in relation to (among other things) the Rights Issue, the Set-off Arrangement and the Increase in Authorised Share Capital
“Company”	Anchorstone Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued share are listed on Stock Exchange (stock code: 1592)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed “Procedures in respect of the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules

“Deed of Set-Off”	the deed of set-off to be entered between the Company and Mr. Lui in relation to the Rights Issue
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held and convened to consider and approve the Rights Issue, the Set off Arrangement and the Increase in Authorised Share Capital
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, considers it necessary or expedient not to offer the Rights Shares to them
“Excluded Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company
“General Rules of HKSCC”	The terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$50,000,000 divided into 500,000,000 Shares to HK\$400,000,000 divided into 4,000,000,000 Shares by the creation of an additional 3,500,000,000 unissued Shares
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the Listing Rules to advise the Independent Shareholders in respect of the Rights Issue and the Set-off Arrangement

“Independent Financial Adviser”	SBI China Capital Hong Kong Securities Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders on the terms of the Rights Issue and the Set-off Arrangement
“Independent Shareholders”	the Shareholders other than Mr. Lui
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons
“Last Trading Day”	14 January 2026 being the last trading day of the Shares on the Stock Exchange prior to the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 26 March 2026 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	being the latest time for the termination of the Placing Agreement
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lui”	Mr. Lui Yue Yun Gary, the shareholder of 137,886,046 Shares, representing approximately 47.62% of the issued share capital of the Company as at the date of this announcement
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and Excluded Unsold Rights Shares placed by the Placing Agent and/or its sub-placing agent(s) under the Placing Agreement) under the Compensatory Arrangements

“No Action Shareholders”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Excluded Shareholders (if any)
“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and Excluded Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be Shareholder(s) and shall be Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Sun Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 14 January 2026 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares on best effort basis
“Placing Period”	a period commencing from Wednesday, 8 April 2026, and ending at the 6:00 p.m. on Wednesday, 15 April 2026
“Placing Shares”	the Unsubscribed Rights Shares and the Excluded Unsold Rights Shares to be placed by the Placing Agent under the Placing Agreement
“Posting Date”	the date of despatch of the Prospectus Documents to the Qualifying Shareholders, and the Prospectus (for information only) to the Excluded Shareholders (as the case may be)
“PRC”	the People’s Republic of China which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue

“Prospectus Documents”	collectively, the Prospectus and PAL(s)
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Wednesday, 11 March 2026 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of four (4) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	the new Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
“Set-off”	the arrangement to set-off approximately HK\$57.9 million, being the amount required to be paid by Mr. Lui for the subscription of 551,544,184 Rights Shares provisionally allotted to him pursuant to the Rights Issue against the Shareholder’s Loans of approximately HK\$71 million as at the Last Trading Day
“Set Off Arrangement”	the arrangement to set-off the amount required to be paid by Mr. Lui pursuant to the Rights Issue against the Shareholder’s Loans to the Deed of Set-Off
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the capital of the Company
“Share Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loans”	the unsecured shareholder’s loans provided by Mr. Lui to the Group bearing interest at 5% per annum, the outstanding principal amount and accrued interest of which amounted to approximately HK\$71 million as at the Last Trading Day
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Subscription Price”	HK\$0.105 per Rights Share
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Undertaking”	the irrevocable undertaking given by Mr. Lui in favour of the Company in relation to the proposed Rights Issue
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

By the order of the Board  
**Anchorstone Holdings Limited**  
**Lui Yue Yun Gary**  
*Chairman and Executive Director*

Hong Kong, 14 January 2026

*As at the date of this announcement, the Executive Directors are Mr. Lui Yue Yun Gary and Ms. Lui Natalie Po Wai, and the Independent Non-executive Directors are Mr. Ko Tsz Kin, Mr. Wong Yue Fai and Prof. Jiang Zhihong.*