

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

POLYFAIR

Polyfair Holdings Limited

寶發控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8532)

MAJOR AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARES IN THE TARGET COMPANY INVOLVING ISSUE OF THE CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

**Independent financial adviser to the
Independent Board Committee and Independent Shareholders**

THE ACQUISITION

On 24 April 2025 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors entered into the SPA, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors has conditionally agreed to sell, the Sale Shares, representing the entire issued shares in the Target Company, at the total Consideration of HK\$7,500,000. Upon Completion, the entire shareholding of the Target Company will be owned by the Purchaser, and accordingly, the Target Company will become an indirect wholly-owned subsidiary of the Company.

Conditions

The Completion shall be subject to the following Conditions having been complied with by the Purchaser on or before the Completion Date:

- (i) the Company having complied with all compliance requirements and obtained all approvals in respect of the SPA and the transactions contemplated thereunder (including but not limited to (a) the approval of the SPA and the transactions contemplated thereunder by the Independent Shareholders, including the specific mandate for the Company to issue the Convertible Bonds; and (b) the approval for the listing of and permission to deal in the Conversion Shares by the GEM Listing Committee of the Stock Exchange, and all such approvals not having been revoked or withdrawn prior to the date of the Completion; and
- (ii) the Purchaser being satisfied with the due diligence findings and the value of the Target Company as assessed in the valuation report being no less than HK\$7,500,000.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Vendor 2 is an executive Director and is therefore a connected person of the Company under Chapter 20 of the GEM Listing Rules. Therefore the Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 25% but are all less than 100%, the Acquisition constitutes a major and connected transaction for the Company and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As Vendor 2 has a material interest in the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds, Vendor 2 is required to abstain and has abstained from voting on the relevant Board resolutions. As at the date of this announcement, none of the Vendors holds any Shares in the Company.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, the SPA, the Acquisition and the issuance of Convertible Bonds.

The Circular containing, among others, (i) details of the SPA and the Acquisition; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the transactions contemplated under the SPA, including the issuance of Convertible Bonds; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the SPA, including the issuance of Convertible Bonds; (iv) the valuation report of the Target Company; (v) other information as required under the GEM Listing Rules; and (vi) a notice of the EGM together with the proxy form for use at the EGM, will be despatched to the Shareholders on or before 19 May 2025.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment (or waiver, if applicable) of the conditions precedent under the SPA, and Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 24 April 2025 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors entered into the SPA, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors has conditionally agreed to sell, the Sale Shares, representing the entire issued shares in the Target Company, at the total Consideration of HK\$7,500,000.

Upon Completion, the entire shareholding of the Target Company will be owned by the Purchaser, and accordingly, the Target Company will become an indirect wholly-owned subsidiary of the Company.

THE SPA

The principal terms of the SPA are as follows:

Date

24 April 2025

Parties

- (i) Faithful Galaxy Investment Limited (as Purchaser);
- (ii) Mak Kwok Fung (as Vendor 1);
- (iii) Wong Wai Man (as Vendor 2); and
- (iv) Tsang King Sun (as Vendor 3)

Subject matter:

The Sale Shares, i.e. 10,000 ordinary shares in issue of the Target Company, representing the entire ordinary shares in issue of the Target Company, and out of which 5,000 shares are held by Vendor 1, 3,125 shares are held by Vendor 2 and 1,875 shares are held by Vendor 3.

Consideration

The Consideration, being HK\$7,500,000, shall be satisfied by the Purchaser to procure the Company to issue the Convertible Bonds in the aggregate principal amount of HK\$7,500,000 to the Vendors in the following manner:

| | Principal amount of Convertible Bonds |
|--------------|--|
| Vendor 1 | 3,750,000 |
| Vendor 2 | 2,343,750 |
| Vendor 3 | 1,406,250 |
| | <hr/> |
| Total | 7,500,000 |
| | <hr/> <hr/> |

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms with reference to (i) the preliminary valuation of the Target Company of approximately HK\$7,500,000 as at 31 March 2025 prepared by a professional valuer based on market approach; and (ii) the audited net assets value of the Target Company as at 31 March 2024.

Principal Terms of the Convertible Bonds

| | |
|-------------------|---|
| Issuer: | The Company |
| Principal amount: | HK\$7,500,000 |
| Maturity Date: | The third anniversary of the date of issue of the Convertible Bonds |
| Redemption: | The Company may at any time before the maturity date by written notices to relevant holder(s) of the Convertible Bonds, redeem the Convertible Bonds (in whole or in part) at 100% to the principal amount of the part of the Convertible Bonds to be redeemed. |

Any amount of the Convertible Bonds which remains outstanding on the maturity date shall be redeemed at 100% of its then outstanding principal amount.

Any amount of the Convertible Bonds which is redeemed by the Company will be forthwith cancelled.

Interest: The Convertible Bonds is non-interest bearing.

Transferability: The Convertible Bonds may be assigned or transferred to any transferee subject to prior notification to the Company. The Convertible Bonds may only be assigned or transferred to any connected person of the Company (as defined under the GEM Listing Rules) subject to compliance with the GEM Listing Rules. No transfer shall be made to any parties acting in concert (as defined in Takeovers Code) unless compliance the Takeovers Code has been met (by the transferor, the transferee and the Group).

Conversion: Provided that the public float of the Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares at any one time in compliance with the GEM Listing Rules, the holder of the Convertible Bonds shall have the right at any time from the date of issue of the Convertible Bonds up to the maturity date to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into Conversion Shares.

Conversion restrictions: The conversion rights under the Convertible Bond shall only be exercisable so long as (i) each of the holders of the Convertible Bond and its respective parties acting in concert (as defined in the Takeovers Code) will not trigger a mandatory offer under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bond and its parties acting in concert; and (ii) the holders of the Convertible Bond and its associates (as defined in the GEM Listing Rules) will not render Shares held in public hands being less than the minimum public float of the Shares required under the GEM Listing Rules.

Conversion Price: The Convertible Bonds shall be converted at the Conversion Price.

Upon issue of the Convertible Bonds, the initial Conversion Price will be HK\$0.023 per Conversion Share (subject to adjustments).

The initial Conversion Price of HK\$0.023 represents:

- (i) a premium of approximately 21.1% over the closing price of HK\$0.019 per Share as quoted on the Stock Exchange on 24 April 2025, being the date of the SPA; and
- (ii) a premium of approximately 5.5% over the average of the closing prices of HK\$0.022 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 24 April 2025.

The Conversion Price shall be adjusted as provided in the Convertible Bonds instrument in each of the following cases:

- (a) an alteration of the number of the Shares by reason of any consolidation or subdivision;
- (b) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund);
- (c) an issue by the Company of Shares in lieu of a cash dividend or under scrip dividend scheme;
- (d) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90 per cent. of the Conversion Price;

- (e) an issue wholly for cash or for reduction of liabilities being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share (as defined in the Convertible Bonds instrument) initially receivable (or in the case of reduction in liabilities, the amount of liabilities to be reduced) for such securities is less than 90 per cent. of the Conversion Price, or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per Share initially receivable for such securities is less than 90 per cent. of the Conversion Price;
- (f) an issue being made by the Company wholly for cash of Shares at a price per Share less than 90 per cent. of the Conversion Price;
- (g) an issue being made by the Company of Shares for the acquisition of asset at a total effective consideration per Share (as defined in the Convertible Bonds instrument) less than 90 per cent. of the Conversion Price;
- (h) a capital distribution (as defined in the Convertible Bonds instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such; and
- (i) in the event that the Company or the holders of the Convertible Bonds consider that it would be appropriate for an adjustment to be made on the Conversion Price as a result of one or more events or circumstances not specified above, subject to confirmation by approved investment bank acting as expert to confirm the adjustment.

Voting Rights:

The holder of the Convertible Bonds will not be entitled to attend or vote at any general meetings of the Company by reason only of it being the holder of the Convertible Bonds.

Ranking: The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank equally with all its other present and future unsecured and unsubordinated obligations.

The Conversion Shares issued upon conversion of the Convertible Bonds will in all respects rank pari passu with the Shares in issue on the date of allotment and issue of such Conversion Shares and accordingly shall entitle the shareholders to participate in all dividends or other distributions declared, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant conversion date.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Based on the initial Conversion Price of HK\$0.023 per Conversion Share, a maximum number of 326,086,956 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent: (i) approximately 38.42% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 27.76% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the Conversion rights attaching to the Convertible Bonds in full (assuming that there is no change in the issued share capital of the Company after the date of SPA). The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares. The Conversion Shares will be allotted and issued under the specific mandate to be sought at the EGM.

The Conversion Price was arrived at after arm's length negotiations between the Vendors and the Purchaser. The Directors consider that the Conversion Price and the terms and conditions of the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Valuation approach

The valuation of the Target Company by the Independent Valuer was conducted using the market approach. The Independent Valuer have considered the market approach for the valuation of the businesses and concluded that it is suitable for the valuation of construction and decoration business because the market approach is the approximate transaction price of a company and business in the marketplace. Since there are enough numbers of comparable public companies which are operating in same industry as construction and decoration company available in markets, therefore a meaningful comparison could be made by such method. Additionally, the income approach would have required subjective assumptions and detailed operational information, making it highly sensitive and complex.

During the valuation process, the Target Company was compared to publicly traded companies operating in a similar industry sector.

The valuation has taken into consideration (i) the financial information of the Target Company for the year ended on 31 March 2024 and the unaudited financial information of the Target Company for the year ended on 30 November 2024; (ii) the business of the Target Company; and (iii) the relevant market data, and it was also based on certain assumptions which include, among others, the absence of significant changes to the principal businesses and core operations of the Target Company.

Based on the above factors, the Board (excluding the independent non-executive Directors whose views will be given after considering the advice from the Independent Financial Adviser) considered that the independent valuation to be a fair and reasonable basis for determining the Consideration.

Conditions

The Completion shall be subject to the following Conditions having been complied with by the Purchaser on or before the Completion Date:

- (i) the Company having complied with all compliance requirements and obtained all approvals in respect of the SPA and the transactions contemplated thereunder (including but not limited to (a) the approval of the SPA and the transactions contemplated thereunder by the Independent Shareholders, including the specific mandate for the Company to issue the Convertible Bonds; and (b) the approval for the listing of and permission to deal in the Conversion Shares by the GEM Listing Committee of the Stock Exchange, and all such approvals not having been revoked or withdrawn prior to the date of the Completion; and
- (ii) the Purchaser being satisfied with the due diligence findings and the value of the Target Company as assessed in the valuation report being no less than HK\$7,500,000.

The Purchaser may at any time waive in writing the condition (ii) set out above. Condition (i) set out above is Company incapable being waived. The Purchaser shall use its best endeavours to procure the fulfilment of the Condition as soon as practicable but in any event no later than the Long Stop Date.

Completion

The Completion shall take place on the Completion Date. Upon Completion, the Target Company will become an indirect non wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated in the financial statements of the Group.

INFORMATION ON THE VENDORS

Vendor 1 is an individual independent from the Company and/or its connected persons.

Vendor 2, Mr. Wong Wai Man, is an executive Director.

Vendor 3, Mr. Tsang King Sun, is the company secretary of the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability.

The Target Company is a qualified works contractor registered with the Buildings Department of Hong Kong and it may carry out Type A (Alteration & Addition Works), C (Signboards Related Works), D (Drainage Works) and G (Demolition Works) with Classes II and III. It has carried out a number of works to banks, shops, government services centres etc.

Set out below is a summary of the financial information in the unaudited accounts of the Target Company for each of the two financial years ended 31 March 2024:

| | For the financial year ended | |
|----------------------------|-------------------------------------|-----------------|
| | 31 March | |
| | 2023 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | Approximate | Approximate |
| | (audited) | (audited) |
| Net profit before taxation | 434,408 | 1,118,848 |
| Net profit after taxation | 383,951 | 1,029,544 |

As at 31 March 2024, the audited net assets of the Target Company was approximately HK\$1,650,098.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal subsidiary of the Group is a subcontractor that provides façade and curtain wall works solutions in Hong Kong. The Group provides both design and build services in projects, ranging from developing designs, conducting structural calculations, preparing shop drawings, sourcing and procuring building materials, arranging for building material logistics and installation works, project management to post-project completion services.

The Target Company is a company with a long history and extensive experience in construction business in Hong Kong and is currently an approved minor works contractor. It is expected that the Acquisition will further strengthen the market position and market influence of the Group in the Hong Kong construction market by leveraging the extensive experience, resources and network of the Target Company. The Acquisition is in line with the Group's strategy and represents an expansion of the Group's existing construction business.

Having considered the above, the Directors (excluding the independent non-executive Directors whose views will be given after considering the advice from the Independent Financial Adviser) consider that the terms and conditions of the SPA and the transactions contemplated thereunder, including the issuance of the Convertible Bonds, are on normal commercial terms and are fair and reasonable and that the Acquisition involving the issuance of the Convertible Bonds, is in the interests of the Company and Shareholders as a whole.

EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 848,744,000 Shares in issue. The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately upon full conversion of the Convertible Bonds and the issue of the Conversion Shares (assuming there will be no change in the share capital of the Company prior to the conversion of Conversion Shares):

| Shareholder | As at the date of this announcement | | Immediately upon full conversion of Convertible Bonds | |
|---|--|------------------|---|------------------|
| | Number of Shares | Approximate % | Number of Shares | Approximate % |
| C.N.Y. Holdings Limited ("C.N.Y.") ^(Note 1) | 554,280,000 | 65.31 | 554,280,000 | 47.18 |
| Vendor 1 | 0 | – | 163,042,478 | 13.88 |
| Vendor 2 | 0 | – | 101,902,174 | 8.67 |
| Vendor 3 | 0 | – | 61,141,304 | 5.20 |
| Other Shareholders | 294,464,000 | 34.69 | 294,464,000 | 25.07 |
| Total | 848,744,000 | 100.00 | 1,174,830,956 | 100.00 |

Note:

1. C.N.Y., a company incorporated in the British Virgin Islands, is wholly and beneficially owned by Mr. Chow Mo Lam (“Mr. Chow”) as to 83% and by Mr. Yu Lap On Stephen (“Mr. Yu”) as to 17%. Both Mr. Chow and Mr. Yu are executive Directors. As such, Mr. Chow is deemed to be interested in all the Shares held by C.N.Y.
2. Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Vendor 2 is an executive Director and is therefore a Therefore connected person of the Company under Chapter 20 of the GEM Listing Rules. Thus, the Acquisition constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 25% but are all less than 100%, the Acquisition constitutes a major and connected transaction for the Company and are subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules.

As Vendor 2 has a material interest in the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds, Vendor 2 is required to abstain and has abstained from voting on the relevant Board resolutions. As at the date of this announcement, none of the Vendors holds any Shares in the Company.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all three independent non-executive Directors who do not have a material interest in the Acquisition, to consider and to advise the Independent Shareholders whether the terms of the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how to vote on the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds, at the EGM, after taking into account the advice of the Independent Financial Adviser.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, the SPA, the Acquisition and the issuance of Convertible Bonds.

The Circular containing, among others, (i) details of the SPA and the Acquisition; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the transactions contemplated under the SPA, including the issuance of Convertible Bonds; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the SPA, including the issuance of Convertible Bonds; (iv) the valuation report of the Target Company; (v) other information as required under the GEM Listing Rules; and (vi) a notice of the EGM together with the proxy form for use at the EGM, will be despatched to the Shareholders on or before 19 May 2025.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment (or waiver, if applicable) of the conditions precedent under the SPA, and Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

| | |
|-------------------|--|
| “Acquisition” | the acquisition of the Sale Shares by the Purchaser subject to and upon the terms and conditions of the SPA |
| “Board” | the board of Directors |
| “Circular” | the circular of the Company to be despatched in respect of the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds |
| “Company” | Polyfair Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8532) |
| “Completion” | completion of the Acquisition in accordance with the terms and conditions of the SPA involving the issuance of the Convertible Bonds |
| “Completion Date” | the date of Completion |

| | |
|-----------------------|---|
| “connected person(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Consideration” | the consideration for the Acquisition in the sum of HK\$7,500,000 |
| “Conversion Price” | initially at HK\$0.023 (subject to adjustments) per Conversion Share |
| “Conversion Rights” | the rights attached to the Convertible Bonds to convert the principal amount (or any part(s) thereof) of the Convertible Bonds into Conversion Shares |
| “Conversion Shares” | the Shares to be allotted and issued by the Company under the Convertible Bonds upon exercise of the Conversion Rights |
| “Convertible Bonds” | the 3-year non-interest-bearing unlisted convertible bonds of an aggregate principal amount of HK\$7,500,000 to be issued by the Company to the Vendors (or as it may direct) to settle part of the consideration payable by the Purchaser under the SPA and the bondholder shall have the Conversion Rights to convert any outstanding principal amount of the Convertible Bonds into the Conversion Shares at an initial Conversion Price of HK\$0.023 (subject to adjustments) per Conversion Share for the period from the date of issuance to the maturity date of the Convertible Bonds |
| “Directors” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, to approve, among other, (i) the SPA and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate to issue the Convertible Bonds |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

| | |
|---------------------------------|--|
| “Independent Board Committee” | the independent board committee of the Board, comprising all the independent non-executive Directors, namely Dr. Lung Cheuk Wah, Mr. Man Yun Yee and Ms. Sun Shui, which has been established for the purposes of making recommendations to the Independent Shareholders in respect of the fairness and reasonableness of the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds |
| “Independent Financial Adviser” | Rainbow Capital (HK) Limited, a corporation licensed to conduct 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 to the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds |
| “Independent Shareholders” | Shareholders, other than the Vendors and its associates, who have no material interest in the SPA and the transactions contemplated thereunder, including the issuance of Convertible Bonds |
| “Listing Committee” | has the meaning ascribed to it under the GEM Listing Rules |
| “Long Stop Date” | 31 October 2025 |
| “Purchaser” | Faithful Galaxy Investment Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company |
| “Sale Shares” | 10,000 ordinary shares in the Target Company, representing its entire issued and paid up share capital, to be acquired by the Purchaser from the Vendors under the SPA |
| “SFC” | Securities and Futures Commission |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |

| | |
|--------------------|---|
| “Shareholder(s)” | holder(s) of the Share(s) |
| “SPA” | the sale and purchase agreement dated 24 April 2025 entered into between the Purchaser and the Vendors in relation to the Acquisition |
| “Specific Mandate” | a specific mandate to be sought from the Independent Shareholders for the issuance of Convertible Bonds |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Code on Takeovers and Mergers in Hong Kong |
| “Target Company” | Kings Construction & Decoration Company Limited, a private company incorporated in Hong Kong with limited liability |
| “Vendors” | Vendor 1, Vendor 2 and Vendor 3, being the vendors of the Acquisition |
| “Vendor 1” | Mak Kwok Fung |
| “Vendor 2” | Wong Wai Man, one of the Vendors and an executive Director |
| “Vendor 3” | Tsang King Sun, one of the Vendors and the company secretary of the Company |
| “%” | per cent |

By order of the Board
Polyfair Holdings Limited
Chow Mo Lam
Chairman

Hong Kong, 24 April 2025

As at the date of this announcement, the executive Directors are Mr. Chow Mo Lam, Mr. Yu Lap On Stephen and Mr. Wong Wai Man; and the independent non-executive Directors are Dr. Lung Cheuk Wah, Mr. Man Yun Yee and Ms. Sun Shui.

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

This announcement will remain on the Stock Exchange's website <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at www.polyfaircurtainwall.com.hk.