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Ju Fu Tang Biotech Holdings Co., Ltd
菊福堂生物控股有限公司

(formerly known as "WMHW Holdings Limited 萬民好物控股有限公司")
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8217)

(1) PROPOSED CAPITAL REORGANISATION; AND (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent to the Company

Suncorp Securities Limited

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

VINCO 榮高
Vinco Financial Limited

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises the following:

(1) the Share Consolidation whereby every five (5) issued and unissued Existing Shares of par value of HK$0.160 each will be consolidated into one (1) Consolidated Share of par value of HK$0.800 each. Any fractional entitlement to a Consolidated Share arising from the Share Consolidation will not be allocated to the relevant Shareholder but will be aggregated and, if possible, sold for the benefit of the Company;

(2) the Capital Reduction whereby, immediately following the Share Consolidation becoming effective, the par value of each issued Consolidated Share will be reduced from HK$0.800 to HK$0.016 by cancelling the paid-up share capital of the Company to the extent of HK$0.784 per issued Consolidated Share;

(3) the Sub-division whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.800 each in the authorised share capital of the Company will be subdivided into fifty (50) authorised but unissued Adjusted Shares of par value of HK$0.016 each;

(4) Immediately following the Sub-division becoming effective, the authorised share capital of the Company will be increased from HK$32,668,352 to HK$80,000,000 by the creation of an additional 2,958,228,000 Adjusted Shares of par value of HK$0.016 each, such that the authorised share capital of the Company will be HK$80,000,000 divided into 5,000,000,000 Adjusted Shares of par value of HK$0.016 each; and

(5) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) will be transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

As at the date of this announcement, the authorised share capital of the Company is HK$80,000,000 divided into 500,000,000 Existing Shares of par value of HK$0.160 each, of which 301,860,000 Existing Shares have been issued and are fully paid or credited as fully-paid. Assuming no further Existing Shares or (as the case may be) Shares will be issued or repurchased from the date of this announcement up to and including the date on which the Capital Reorganisation shall become effective, the authorised share capital of the Company will remain at HK$80,000,000 but will be divided into 5,000,000,000 Adjusted Shares with par value of HK$0.016 each, of which 60,372,000 Adjusted Shares will be in issue and fully paid or credited as fully-paid.

The Capital Reduction and the Sub-division are conditional upon fulfilment of the conditions contained in the section headed "Conditions of the Capital Reduction and the Sub-division" in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Board proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Adjusted Share held on the Record Date at the Subscription Price of HK$0.32 per Rights Share, to raise gross proceeds of approximately HK$58.0 million before expenses (assuming no other change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective), by way of the Rights Issue of up to 181,116,000 Rights Shares to the Qualifying Shareholders.

The Company will provisionally allot to the Qualifying Shareholders three (3) Rights Shares in nil-paid form for every one (1) Adjusted Share in issue and held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

The estimated net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) will be approximately HK$55.7 million, assuming that there is no change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective and that all the Rights Shares are validly accepted and taken up in full.

The Company intends to apply the net proceeds from the Rights Issue for (i) the full repayment of the outstanding principal and accrued interest under the Bond of approximately HK$16.2 million; and (ii) working capital for the existing business of approximately HK$39.5 million, comprising approximately HK$9.5 million for general corporate expenses, approximately HK$20.0 million for the civil engineering and renovation works segment and approximately HK$10.0 million for the health technology business segment. The Rights Issue is also expected to improve the Company's cash position and strengthen its financial capacity to support its existing operations and future business development.

Subject to the fulfilment 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 PLACING AGREEMENT

On Tuesday, 3 November 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

GEM LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As there are no controlling shareholders of the Company, Mr. Chen Jian and Ms. Yu Xiao, both being executive Directors and chief executives of the Company, together with their respective associates, are required to abstain from voting in favour of the resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the date of this announcement, Mr. Chen Jian and his associates do not hold any Existing Shares in the Company. Ms. Yu Xiao holds 780,000 Existing Shares, representing approximately 0.26% of the existing issued share capital of the Company. None of Ms. Yu Xiao's associates holds any Existing Shares.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution effect of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Rights Issue. Vinco Financial Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable, in the interests of the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Rights Issue and the transactions contemplated hereunder. A circular containing, among other things, (i) details of the Capital Reorganisation; (ii) further details of the Rights Issue; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 23 November 2026.

Subject to the approval of the Capital Reorganisation by the Shareholders and the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Company, and PAL(s) are expected to be despatched to the Qualifying Shareholders on Monday, 22 February 2027.

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

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this 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.

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

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers. Shareholders and potential investors of the Company should also note that the Capital Reorganisation is conditional upon the satisfaction of the conditions set out in the section headed "Conditions of the Capital Reduction and the Sub-division" in this announcement, and accordingly the Capital Reorganisation may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED SHARE CONSOLIDATION

As at the date of this announcement, the authorised share capital of the Company is HK$80,000,000 divided into 500,000,000 Existing Shares of par value of HK$0.160 each, of which 301,860,000 Existing Shares have been issued and are fully paid or credited as fully-paid. The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of par value of HK$0.160 will be consolidated into one (1) Consolidated Share of par value of HK$0.800 each.

Effect of the Share Consolidation

Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction becoming effective, and assuming no further Existing Shares or (as the case may be) Shares will be issued or repurchased from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will remain at HK$80,000,000 but will be divided into 100,000,000 Consolidated Shares with par value of HK$0.800 each, of which 60,372,000 Consolidated Shares will be in issue and fully paid or credited as fully-paid.

Upon the Share Consolidation becoming effective, all the Consolidated Shares will rank *pari passu* in all respects with each other.

The implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company and the interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled thereto.

Conditions of the Share Consolidation

The Share Consolidation is conditional on the following conditions being fulfilled:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Adjusted Shares in issue and to be issued upon the Capital Reorganisation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Thursday, 17 December 2026, being the same date on which the Capital Reduction and the Sub-division are expected to become effective.

As at the date of this announcement, none of the above conditions have been fulfilled.

Fractional entitlement to the Consolidated Shares

Any fractional Consolidated Share arising from the Share Consolidation, if any, will be aggregated and, if possible, sold for the benefit of the Company and will not be allocated to the Shareholders otherwise entitled thereto. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers the possibility of buying or selling the Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Odd lots arrangements and matching services

Shareholders should note that any odd lots arising from the Share Consolidation may continue to exist following the Capital Reduction and the Sub-division. In order to alleviate the difficulties arising from the existence of such odd lots (primarily arising from the Share Consolidation), the Company will procure an arrangement with a designated broker to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares on a best effort basis. The matching services are expected to be available throughout the period of parallel trading in the Adjusted Shares. Further details in respect of the odd lots arrangements will be set out in the circular to be issued by the Company.

Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots is not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult their own professional advisers.

Exchange of share certificates for Adjusted Shares

Subject to the Capital Reorganisation having become effective, Shareholders may, during the specified period from Thursday, 17 December 2026 to Tuesday, 26 January 2027 (both dates inclusive), submit the existing share certificates for the Existing Shares to the Share Registrar, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Adjusted Shares.

Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Adjusted Shares at the expense of the Shareholders on payment of a fee of HK$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Adjusted Shares (whichever is higher) but are not acceptable for trading, settlement and registration purposes.

The new share certificates for the Adjusted Shares will be issued in green colour in order to distinguish them from the existing share certificates in red colour.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the share approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the listed issuer to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and last updated in June 2026) has further stated that (i) market price of the share at a level less than HK$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK$1,000.

The Board therefore proposes to implement the Share Consolidation in order to comply with the trading requirements of the GEM Listing Rules. The Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares and value per board lot, which will reduce the overall transaction and handling costs of dealings in the Adjusted Shares. As a result, the Share Consolidation would not only enable the Company to comply with the trading requirements under the GEM Listing Rules, but would also attract more investors and hence broaden the Shareholder base.

Based on the closing price of HK$0.090 per Existing Share as quoted on the Stock Exchange on the Last Trading Day, the value of each board lot of the Existing Shares is HK$900 and the theoretical value of each board lot of the Adjusted Shares, assuming the Capital Reorganisation has become effective, would be HK$4,500, which would enable the Company to comply with the trading requirements under the GEM Listing Rules.

PROPOSED CAPITAL REDUCTION AND THE SUB-DIVISION

The Board proposes to implement the Capital Reduction and the Sub-division in the following manner:

(i) the Capital Reduction whereby the par value of each issued Consolidated Share will be reduced from HK$0.800 to HK$0.016 by cancelling the paid-up capital to the extent of HK$0.784 per issued Consolidated Share, so that following such reduction, each issued Consolidated Share shall become one Adjusted Share with par value of HK$0.016 each;

(ii) immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Share will be subdivided into fifty (50) authorised but unissued Adjusted Shares with par value of HK$0.016 each;

(iii) immediately following the Sub-division becoming effective, the authorised share capital of the Company will be increased from HK$32,668,352 to HK$80,000,000 by the creation of an additional 2,958,228,000 Adjusted Shares of par value of HK$0.016 each, such that the authorised share capital of the Company will be HK$80,000,000 divided into 5,000,000,000 Adjusted Shares of par value of HK$0.016 each;

(iv) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) will be transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate; and

(v) each of the Adjusted Shares arising from the Capital Reduction, the Sub-division and the increase in the authorised share capital shall rank *pari passu* in all respects with each other and will have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.

Conditions of the Capital Reduction and the Sub-division

The Capital Reduction and the Sub-division are conditional on the following conditions being fulfilled:

(i) the Share Consolidation being approved at the EGM and becoming effective;

(ii) the Shareholders' approval by way of special resolution at the EGM to be convened and held to consider and, if thought fit, approve, among other things, the Capital Reduction and the Sub-division and the increase in authorised share capital (and, if required under the memorandum and articles of association of the Company, the passing of an ordinary resolution to increase the authorised share capital of the Company);

(iii) the Directors signing the solvency statement in accordance with the requirements of the Companies Act;

(iv) the registration by the Registrar of Companies in the Cayman Islands of a copy of the solvency statement and the minute of the EGM approving the Capital Reduction;

(v) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reduction and the Sub-division; and

(vi) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reduction and the Sub-division.

The Capital Reduction and the Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reduction and the Sub-division at the EGM, the Company will file the requisite documents with the Registrar of Companies in the Cayman Islands, and a further announcement will be made by the Company as soon as practicable. Subject to the fulfilment of the relevant conditions, the Capital Reduction and the Sub-division are expected to become effective at the same time as the Share Consolidation, on Thursday, 17 December 2026.

As at the date of this announcement, none of the above conditions have been fulfilled.

Effects of the Capital Reduction and Sub-division

As at the date of this announcement, the authorised share capital of the Company is HK$80,000,000 divided into 500,000,000 Existing Shares of par value of HK$0.160 each, of which 301,860,000 Existing Shares are issued and fully-paid or credited as fully-paid. Assuming no further Existing Shares will be issued or repurchased from the date of this announcement up to and including the date on which the Capital Reduction and the Sub-division shall become effective:

Assuming the Share Consolidation becomes effective, the 301,860,000 issued Existing Shares will be consolidated into 60,372,000 issued Consolidated Shares of par value of HK$0.800 each.

Assuming that the par value of each of the 60,372,000 issued Consolidated Shares will be reduced from HK$0.800 to HK$0.016 per issued Consolidated Share by cancelling the paid-up share capital to the extent of HK$0.784 per issued Consolidated Share by way of a reduction of capital, so as to form 60,372,000 issued Adjusted Shares with par value of HK$0.016 each, the Company's existing issued share capital of HK$48,297,600 will be reduced by HK$47,331,648 to HK$965,952, divided into 60,372,000 Adjusted Shares of par value of HK$0.016 each, all of which will be fully-paid or credited as fully-paid. Accordingly, (assuming the Share Consolidation becomes effective) the Capital Reduction will reduce the par value of each issued Consolidated Share from HK$0.800 to HK$0.016.

The credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of credit (if any) will be transferred to the distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

Immediately following the Sub-division becoming effective, the authorised share capital of the Company (being HK$32,668,352 divided into 2,041,772,000 Adjusted Shares) will be increased to HK$80,000,000 by the creation of an additional 2,958,228,000 Adjusted Shares of par value of HK$0.016 each.

Upon the completion of the Capital Reduction, the Sub-division and the increase in authorised share capital (assuming the Share Consolidation becomes effective), the authorised share capital of the Company will remain at HK$80,000,000 but will be divided into 5,000,000,000 Adjusted Shares of par value of HK$0.016 each, of which 60,372,000 Adjusted Shares will be in issue and fully paid or credited as fully-paid. The Adjusted Shares will rank *pari passu* in all respects with each other in accordance with the memorandum and articles of association of the Company.

Based on 301,860,000 Existing Shares in issue as at the date of this announcement (being 60,372,000 Consolidated Shares upon the Share Consolidation becoming effective), a credit of HK$47,331,648 will arise as a result of the Capital Reduction becoming effective. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) will be transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate. The Board is of the opinion that the proposed Capital Reduction will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

The Board considers that the Capital Reduction and Sub-division will enable the nominal or par value of the Shares to be reduced from HK$0.160 (before the Share Consolidation) to HK$0.016 each (upon completion of the Capital Reduction and Sub-division), which will facilitate corporate actions to be carried out at prices above the nominal value of the Shares. Following the Capital Reduction and the Sub-division, the par value of each Adjusted Share will be reduced to HK$0.016, which is below the Subscription Price of HK$0.32 per Rights Share, thereby enabling the Rights Issue to proceed.

As such, the Directors are of the view that the Capital Reduction and the Sub-division are in the best interests of the Company and its Shareholders as a whole.

Save for applying the credit arising from the Capital Reduction towards offsetting the accumulated losses of the Company and the expenses to be incurred in relation to the Capital Reduction and the Sub-division, the Directors consider that the Capital Reduction and the Sub-division will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

Save for the Capital Reorganisation and the Rights Issue, as at the date of this announcement, the Company has no intention to carry out any other corporate action or arrangement, including share sub-division and capital reduction, in the next 12 months.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective; and (iii) immediately upon the Capital Reduction and the Sub-division becoming effective are summarised as follows:

	As at the date of this announcement	**Immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and Sub-division**	**Immediately upon the Capital Reduction and the Sub-division becoming effective**
Par value	HK$0.160 per Existing Share	HK$0.800 per Consolidated Share	HK$0.016 per Adjusted Share
Amount of the authorised share capital	HK$80,000,000	HK$80,000,000	HK$80,000,000
Number of authorised Shares	500,000,000	100,000,000	5,000,000,000
Amount of issued share capital	HK$48,297,600	HK$48,297,600	HK$965,952
Number of issued Shares	301,860,000	60,372,000	60,372,000

Other than the expenses to be incurred in relation to the Share Consolidation, the Capital Reduction and the Sub-division, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Directors are of the view that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company and is in the interest of the Company and the Shareholders as a whole.

Listing of and dealings in the Adjusted Shares

Application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reduction and the Sub-division. Subject to the granting of such listing and permission to deal in, the Adjusted Shares will rank *pari passu* in all respects with each other and with all other Adjusted Shares (if any) in issue from time to time, including as to voting rights, dividends, return of capital and other rights in accordance with the memorandum and articles of association of the Company.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Reasons for the Capital Reduction and Sub-division

The proposed Capital Reduction and the Sub-division will enable the par value of the Shares to be reduced from HK$0.160 to HK$0.016 each. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of credit (if any) will be transferred to the distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

The Directors are of the opinion that the proposed Capital Reduction and the Sub-division will:

(i) give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future; and

(ii) enable the nominal or par value of the Shares to be reduced from HK$0.800 (assuming the Share Consolidation becomes effective) to a lower level of HK$0.016 each, thus giving greater flexibility to the Company to issue Adjusted Shares in the future.

PROPOSED RIGHTS ISSUE

The Board proposes to raise up to approximately HK$58.0 million before expenses pursuant to the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date other than from the Capital Reorganisation becoming effective and all Rights Shares are validly accepted and taken up in full):

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every one (1) Adjusted Share held at the close of business on the Record Date
Subscription Price:	HK$0.32 per Rights Share
Number of Shares in issue as at the date of this announcement:	301,860,000 Existing Shares

Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	approximately HK$0.31 per Rights Share (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective)
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective:	60,372,000 Adjusted Shares (assuming there is no change in number of Shares in issue up to the effective date of the Capital Reorganisation)
Number of Rights Shares to be issued pursuant to the Rights Issue:	Up to 181,116,000 Rights Shares with an aggregate nominal value of HK$2,897,856, assuming no change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective
Total number of Adjusted Shares in issue upon completion of the Rights Issue:	Up to 241,488,000 Adjusted Shares, assuming no change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective and that all 181,116,000 Rights Shares are allotted and issued
Amount to be raised:	Up to approximately HK$58.0 million before expenses, assuming no change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective and all Rights Shares are validly accepted and taken up in full

As at the date of this announcement, the Company had 9,144,000 outstanding share options with an exercise price of HK$0.163 per Share under the share option scheme adopted by the Company in 2016, which will expire in March 2027, entitling the holders thereof to subscribe for 9,144,000 new Shares.

The holders of all the outstanding share options have executed irrevocable undertakings in favour of the Company, pursuant to which each of them has irrevocably undertaken not to exercise any of the outstanding share options held by him/her from the date of the relevant undertaking up to and including the Record Date. Accordingly, no new Shares will be issued pursuant to the exercise of any outstanding share options on or before the Record Date and, assuming no other change in the number of Shares in issue on or before the Record Date other than as a result of the Capital Reorganisation becoming effective, the maximum number of Rights Shares to be issued under the Rights Issue will remain at 181,116,000 Rights Shares.

Save as disclosed above, the Company has no other outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares as at the date of this announcement. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date. As at the date of this announcement, the Company does not hold any treasury shares. Accordingly, no treasury shares or repurchased Shares pending cancellation will receive any entitlement under the Rights Issue.

The Capital Reorganisation and/or the Rights Issue may result in adjustments to the exercise price of and/or the number of Shares falling to be issued upon exercise of the outstanding share options in accordance with the terms of the relevant share option scheme(s). The Company will notify the holders of the outstanding share options regarding any such adjustments and, if required, further announcement(s) will be made by the Company as and when appropriate.

Assuming no change in the number of Shares in issue on or before the Record Date, other than as a result of the Capital Reorganisation becoming effective, the aggregate 181,116,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 300% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and approximately 75% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming all Rights Shares are validly accepted and taken up in full by the Qualifying Shareholders).

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares which remain unplaced under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of their 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 their 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 10.26(2) of the GEM Listing Rules.

As at the date of this announcement, the Company had not received any information or irrevocable undertaking from any Shareholder of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

Subscription Price

The Subscription Price for the Rights Shares is HK$0.32 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 28.89% to the theoretical adjusted closing price of HK$0.4500 per Adjusted Share, based on the closing price of HK$0.090 per Existing Share, as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 9.22% to the theoretical ex-rights price of approximately HK$0.3525 per Adjusted Share, based on the theoretical adjusted closing price of HK$0.4500 per Adjusted Share, as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 27.60% to the average theoretical adjusted closing price of HK$0.4420 per Adjusted Share, based on the average closing price of HK$0.0884 per Existing Share as quoted on the Stock Exchange for the five consecutive trading days prior to and excluding the Last Trading Day;

(iv) a discount of approximately 30.43% to the average theoretical adjusted closing price of HK$0.4600 per Adjusted Share, based on the average closing price of HK$0.0920 per Existing Share as quoted on the Stock Exchange for the ten consecutive trading days prior to and excluding the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 21.67% and the theoretical diluted price of approximately HK$0.3525 per Adjusted Share to the benchmarked price of HK$0.4500 per Adjusted Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK$0.4500 per Adjusted Share and the average of the closing prices of the Adjusted Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of approximately HK$0.4420 per Adjusted Share).

The Subscription Price was determined by the Company with reference to, among other things, (i) the market price and trading liquidity of the Existing Shares under the prevailing market conditions; (ii) the latest published financial information of the Company; (iii) the amount of funds the Company intends to raise and its capital needs; and (iv) the reasons for the Rights Issue as set out in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in this announcement. In particular, the Board has taken into account the following:

(i) *Basis of determination of the Subscription Price*. In determining the Subscription Price, the Board sought to strike a balance between: (a) setting the Subscription Price at a level sufficiently attractive to encourage the Qualifying Shareholders to participate in the Rights Issue, particularly given that the Rights Issue is not underwritten and no Shareholder, including any substantial Shareholder, has provided an irrevocable undertaking to subscribe for the Rights Shares; (b) raising sufficient funds to meet the Company's funding requirements; and (c) limiting the potential dilution to Shareholders who do not participate in the Rights Issue.

Having considered various combinations of the basis of entitlement and the subscription price, the Board considers that the proposed basis of three (3) Rights Shares for every one (1) Adjusted Share at the Subscription Price of HK$0.32 per Rights Share represents the most appropriate structure among the alternatives considered. In particular, the proposed structure enables the Company to raise the required funds having regard to the need to provide a meaningful subscription incentive and a reasonable prospect of raising the required funds, while maintaining the theoretical dilution effect at approximately 21.67%, as calculated in accordance with Rule 10.44A of the GEM Listing Rules based on the benchmarked price of HK$0.4500 per Adjusted Share.

While the theoretical dilution effect is below the 25% threshold under Rule 10.44A, the Board did not regard compliance with such threshold, in itself, as sufficient justification for the terms of the Rights Issue. The Board also considered the Company's actual funding requirements, the size of the Rights Issue relative to the Company's market capitalisation, the historical price performance and liquidity of the Shares, the non-underwritten basis of the Rights Issue and the absence of any shareholder subscription commitment.

In particular, the closing price of the Existing Shares fell from HK$0.39 on 8 January 2026, being the highest closing price during the 12 months up to and including the Last Trading Day, to HK$0.090 on the Last Trading Day, a decrease of approximately 76.92%. As at 30 September 2026, the Company's cash and bank balances amounted to approximately HK$2.3 million, while its current liabilities as at 31 March 2026 amounted to approximately HK$42.1 million, including the outstanding principal amount of the Bond of HK$12.0 million.

Despite the potential dilution effect of the Rights Issue, the Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account that:

(a) all Qualifying Shareholders will be offered the Rights Shares at the same Subscription Price in proportion to their respective shareholdings in the Company as at the Record Date;

(b) Qualifying Shareholders who take up their entitlements in full will be able to maintain their proportionate interests in the Company, subject to any scaling-down of applications as described in this announcement, and participate in the future growth of the Company;

(c) Qualifying Shareholders who do not wish to take up their entitlements may dispose of their nil-paid Rights Shares in the market during the nil-paid trading period, subject to the prevailing market conditions;

(d) the Unsubscribed Rights Shares and the ES Unsold Rights Shares will be offered to independent placees on a best-effort basis under the Compensatory Arrangements, and any Net Gain will be paid to the No Action Shareholders and the Excluded Shareholders on a pro rata basis in accordance with the arrangements described in this announcement; and

(e) the Rights Issue is subject to the approval of the Independent Shareholders at the EGM, who will be advised by the Independent Board Committee and the Independent Financial Adviser.

(ii) *Trading liquidity of the Shares and the discount represented by the Subscription Price*. The Board has also taken into account the relatively thin trading liquidity of the Shares when determining the Subscription Price. During the 12 months up to and including the Last Trading Day, the average daily trading volume of the Shares represented only approximately 0.27% of the total number of issued Shares and had an average daily trading value of approximately HK$73,000.

After adjusting the historical average daily trading volume of approximately 801,325 Existing Shares for the five-to-one Share Consolidation, such average daily trading volume would be equivalent to approximately 160,265 Adjusted Shares. The 181,116,000 Rights Shares proposed to be issued under the Rights Issue therefore represent approximately 1,130 trading days, or approximately 4.5 years based on 250 trading days per year, of the adjusted historical average daily trading volume. This comparison is presented solely to illustrate the size of the Rights Issue relative to the historical trading liquidity of the Shares and does not imply that all Rights Shares will be disposed of through the market following completion of the Rights Issue.

Furthermore, given the thin trading liquidity of the Shares, Shareholders subscribing for a substantial number of Rights Shares may not be able to dispose of such Shares readily in the market at or around the prevailing market price without exerting downward pressure on the market price of the Shares.

As the Rights Issue is not underwritten and no Shareholder, including any substantial Shareholder, has provided an irrevocable undertaking to take up any Rights Shares, the success of the Rights Issue will depend principally on the level of participation by the Qualifying Shareholders and the results of the Compensatory Arrangements. The Board therefore considers that it is necessary to set the Subscription Price at an appropriate discount to the prevailing market price in order to (a) provide the Qualifying Shareholders with a meaningful economic incentive to take up their entitlements and commit additional capital, having regard to the market, execution and liquidity risks involved; (b) provide a reasonable prospect that the nil-paid Rights Shares will have economic value and facilitate their trading during the nil-paid trading period; and (c) improve the prospects of achieving a sufficient level of subscription and successfully placing the Unsubscribed Rights Shares under the Compensatory Arrangements.

In view of the above, the Board considers that the discount represented by the Subscription Price is commercially justifiable and is not excessive in the circumstances.

(iii) *Size of the Rights Issue and the Company's funding requirements*. The size of the Rights Issue was determined primarily by reference to the Company's actual and expected funding requirements, rather than by reference to the discount represented by the Subscription Price.

The estimated net proceeds from the Rights Issue, assuming full subscription, will amount to approximately HK$55.7 million. The Company currently intends to apply the net proceeds as follows:

(a) approximately HK$16.2 million towards the full repayment of the outstanding principal and accrued interest under the Bond, which matured on 2 December 2022 and in respect of which the Company received a repayment demand from the Bondholder on 25 September 2026;

(b) approximately HK$9.5 million towards the Company's general corporate expenses for the 12 months following completion of the Rights Issue, including staff costs, rental expenses, professional fees and other administrative expenses;

(c) approximately HK$20.0 million towards the civil engineering and renovation works segment, including the provision of cash collateral and/or deposits for procuring surety bonds, the settlement of trade payables, the procurement of construction materials, and the application for, upgrade or renewal of relevant licences, registrations and qualifications; and

(d) approximately HK$10.0 million towards the development and operation of the Company's health technology business segment in the PRC, including the costs of applying for and maintaining the requisite licences, permits, registrations and qualifications and the related set-up and operating costs.

The aggregate amount required for the repayment of the Bond and the Company's general corporate expenses alone is approximately HK$25.7 million. The Board considers that these funds are necessary to reduce the Company's outstanding indebtedness and related interest expenses and to support its ongoing operations over the forthcoming 12 months.

The remaining approximately HK$30.0 million is intended to support the operation and development of the Company's civil engineering and renovation works segment and health technology business segment. The Board considers that such allocation will strengthen the Company's ability to secure and undertake new projects, meet its existing payment obligations, maintain its relevant licences and qualifications and pursue suitable business opportunities, with a view to improving the Company's operating performance and financial position.

The Board has considered raising a smaller amount. However, in light of the Company's debt repayment obligations, working capital requirements and business development plans, a smaller fundraising exercise would not be sufficient to meet all of the Company's present funding requirements. It might also require the Company to conduct a further fundraising exercise shortly after completion of the Rights Issue, which would involve additional transaction costs and could result in further dilution to the Shareholders.

The Company has also explored debt financing alternatives. Based on the financing terms available to the Company, potential debt financing would carry an interest rate of over 20% per annum. The Board considers that obtaining additional debt financing on such terms would impose a substantial finance cost on the Company, increase its gearing and further constrain its liquidity. Accordingly, the Board considers that the Rights Issue represents a more appropriate fundraising method in the present circumstances.

Although the gross proceeds from the Rights Issue represent approximately 2.1 times the Company's market capitalisation as at the Last Trading Day, such ratio mainly reflects the decline in the Share price over the 12 months up to and including the Last Trading Day, which has reduced the Company's market capitalisation. The gross proceeds of approximately HK$58.0 million also represent approximately 114.9% of the Company's net asset value of approximately HK$50.5 million as at 31 March 2026.

As there is no minimum amount to be raised under the Rights Issue, the actual net proceeds will depend on the level of subscription by the Qualifying Shareholders and the results of the Compensatory Arrangements.

(iv) *Comparison of alternative fundraising structures*

In determining the terms of the Rights Issue, the Board considered different combinations of the basis of entitlement and the subscription price that would be required to raise gross proceeds of approximately HK$58.0 million, as summarised below:

Basis of entitlement	**Subscription Price required to raise approximately HK$58.0 million**	**Discount or premium to the theoretical adjusted closing price of HK$0.4500 per Adjusted Share, based on the closing price of HK$0.090 per Existing Share on the Last Trading Day**	**Theoretical dilution effect under Rule 10.44A based on the benchmarked price of HK$0.4500 per Adjusted Share**
2 for 1	Approximately HK$0.48	Premium of approximately 6.67%	Nil
3 for 1 (proposed)	**HK$0.32**	**Discount of approximately 28.89%**	**Approximately 21.67%**
4 for 1	Approximately HK$0.24	Discount of approximately 46.67%	Approximately 37.33% (exceeds 25%)

A rights issue on the basis of two Rights Shares for every Adjusted Share would require a subscription price of approximately HK$0.48 per Rights Share in order to raise the required amount. Such price would represent a premium of approximately 6.67% to the theoretical adjusted closing price of HK$0.4500 per Adjusted Share, based on the closing price of HK$0.090 per Existing Share on the Last Trading Day. In light of the historical price performance and thin trading liquidity of the Shares, the non-underwritten nature of the Rights Issue and the absence of any irrevocable undertaking from any Shareholder to subscribe for the Rights Shares, the Board considers that a rights issue conducted at a premium to the prevailing market price would be unlikely to attract sufficient subscriptions.

Conversely, a rights issue on the basis of four Rights Shares for every Adjusted Share would permit a lower subscription price of approximately HK$0.24 per Rights Share but would result in a theoretical dilution effect of approximately 37.33%, which would exceed the 25% threshold under Rule 10.44A of the GEM Listing Rules and would therefore not be permissible unless the Company could demonstrate that there are exceptional circumstances.

The proposed basis of three Rights Shares for every Adjusted Share at the Subscription Price of HK$0.32 per Rights Share therefore represents, in the Board's view, the most appropriate structure among the alternative structures considered by the Board. Having regard to the historical price performance and trading liquidity of the Shares, the size of the Rights Issue, the amount of additional capital required from the Qualifying Shareholders, the non-underwritten nature of the Rights Issue and the absence of any irrevocable shareholder subscription commitment, the Board considers that the proposed structure provides a more appropriate balance between providing a meaningful subscription incentive, raising the required funds and limiting the dilution impact on non-participating Shareholders than the other structures set out above. The resulting theoretical dilution effect is approximately 21.67%, which is below the 25% threshold under Rule 10.44A of the GEM Listing Rules.

In reaching its determination, the Board did not determine the basis of entitlement or the Subscription Price by seeking to maximise the theoretical dilution permitted under Rule 10.44A of the GEM Listing Rules.

The proposed structure also provides all Qualifying Shareholders with an equal opportunity to maintain their proportionate interests in the Company by taking up their respective entitlements in full, subject to any scaling-down of applications as described in this announcement. The Independent Financial Adviser will separately assess the terms of the Rights Issue and advise the Independent Board Committee and the Independent Shareholders as to whether such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotments

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders as at the close of business on the Record Date.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made 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.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfer documents of the Adjusted Shares (together with the relevant share certificate(s)) must be lodged with the Share Registrar, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 12 February 2027.

It is expected that the last day of dealings in the Adjusted Shares on a cum-rights basis for the Rights Issue is Wednesday, 10 February 2027, and the Adjusted Shares will be dealt with on an ex-rights basis from Thursday, 11 February 2027.

Subject to the Share Consolidation, the Capital Reduction and the Sub-division having become effective, the passing of the resolution to approve the Rights Issue by the Independent Shareholders at the EGM and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus (without the PAL(s)) to the Excluded Shareholders for their information only.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company, subject to any scaling-down of applications as described in this announcement. **If a Qualifying Shareholder does not take up their entitlement in full under the Rights Issue, their proportionate shareholding in the Company will be diluted.**

Rights of Overseas Shareholders (if any)

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

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. Based on the register of members of the Company as at 30 September 2026, there were four Overseas Shareholders whose registered addresses were located in the PRC and who held an aggregate of 12,720,000 Existing Shares, representing approximately 4.21% of the total number of issued Shares (the "**PRC Shareholders**").

The Company has made enquiries with its legal advisers as to whether there are any legal restrictions under the laws of the PRC or requirements of the relevant regulatory authorities or stock exchanges that would prevent or restrict the extension of the Rights Issue to the PRC Shareholders. Taking into account the advice provided by the Company's legal adviser in the PRC, the Directors are of the view that it would be necessary or expedient not to extend the Rights Issue to the PRC Shareholders, having regard to the legal restrictions under the laws of the PRC and/or the requirements of the relevant regulatory authorities or stock exchanges. Therefore, the Rights Issue will not be extended to the PRC Shareholders. Accordingly, the PRC Shareholders will be regarded as Excluded Shareholders for the purposes of the Rights Issue.

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

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form during the period from 9:00 a.m. on Wednesday, 24 February 2027 to 4:00 p.m. on Wednesday, 3 March 2027 if a premium (net of expenses) can be obtained. The net proceeds from such sale, after deducting expenses, amounting to HK$100 or more will be paid on a pro-rata basis to the relevant Excluded Shareholders.

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

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

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

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Status of Rights Shares

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

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

Fractions of the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Odd lots arrangements and matching services

As the Capital Reduction and the Sub-division will not alter the number of Adjusted Shares in issue upon becoming effective and the basis of the Rights Issue is three (3) Rights Shares for every one (1) Adjusted Share held on the Record Date, with the board lot size for trading remaining unchanged at 10,000 Shares, the Rights Issue itself is not expected to give rise to any new odd lots of the Adjusted Shares. However, Shareholders who hold odd lots of the Adjusted Shares (including any odd lots arising from the Share Consolidation) will continue to hold their Rights Shares in odd lots following completion of the Rights Issue.

In order to alleviate the difficulties arising from the existence of odd lots of the Adjusted Shares arising from the Share Consolidation, the Company will procure an arrangement with a designated broker to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular to be issued by the Company.

Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult their own professional advisers.

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

Pursuant to GEM Listing Rule 10.31(1)(b), the Company must make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company therefore has appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any Net Gain will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Wednesday, 17 March 2027, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price.

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

(i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appear on the PAL (unless that person is covered by (iii) below), by reference to the extent that the Shares in their nil-paid rights are not validly applied for;

(ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holders of those nil-paid rights in CCASS (unless that person is covered by (iii) below), by reference to the extent that the Shares in their nil-paid rights are not validly applied for;

(iii) where the Rights Issue is extended to Overseas Shareholders (if any) and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholder(s), by reference to the extent that the Shares in their nil-paid rights are not validly applied for; and

(iv) in respect of the Excluded Shareholders (if any), by reference to their shareholdings in the Company on the Record Date.

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

THE PLACING AGREEMENT

On Tuesday, 3 November 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date:	Tuesday, 3 November 2026 (after trading hours)
Issuer:	The Company
Placing Agent:	Suncorp Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities 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 the ES Unsold Rights Shares. The Placing Agent confirmed that it is independent of and not connected with the Company and its connected persons or any of their respective associates.
Placing Period:	The period commencing from Monday, 15 March 2027 and ending at 4:00 p.m. on Wednesday, 17 March 2027.

Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares:	The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as applicable) shall be not less than the Subscription Price. The final placing price will be determined with reference to the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the placing process.
Commission:	3% of the amount equal to the Placing Price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement. The commission is not payable by the Company to the Placing Agent if the Placing Agreement has not become unconditional or is otherwise terminated in accordance with its terms.
Placees:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to Placee(s) (and their ultimate beneficial owner(s)) who are Independent Third Parties and are not Shareholders. None of the Placees will, together with any party acting in concert with it, become a substantial shareholder (as defined under the GEM Listing Rules) of the Company immediately upon completion of the Placing. The Placing Agent will use its best endeavours to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the public float requirement under Rule 17.37B of the GEM Listing Rules upon completion of the Placing and the Rights Issue.
Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares:	Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully-paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
Conditions Precedent:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or waived by the Placing Agent in writing, where applicable): (i) the passing by the Shareholders (including the Independent Shareholders) at the EGM of the necessary resolutions to approve the Rights Issue; (ii) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(iii) 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; and

(iv) the Placing Agreement not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the conditions precedent to the Placing Agreement (other than condition (i) and (ii) above) by notice in writing to the Company.

Termination: The latest time for termination of the Placing Agreement will be 4:00 p.m. on Friday, 19 March 2027 or any other time and date by mutual written agreement between the Placing Agent and the Company.

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

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

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

Public float: The Placing Agent shall ensure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected person and is not a connected person of the Company. The engagement between the Company and the Placing Agent for the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent and is on normal commercial terms with reference to the market comparables, the existing financial position of the Company, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of the Placing Agreement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

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

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 10,000 Rights Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission in CCASS

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

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

Stamp duty and other applicable fees

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

Taxation

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Wednesday, 24 March 2027 by ordinary post to the allottees, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Rights Shares. If the Rights Issue is terminated, refund cheques are expected to be posted on Wednesday, 24 March 2027 by ordinary post to the applicants, at their own risk, to their registered addresses.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

(i) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the EGM of the necessary resolution(s) to approve the Share Consolidation, the Capital Reduction and the Sub-division and the Rights Issue, and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;

(ii) the Share Consolidation, the Capital Reduction and the Sub-division becoming effective;

(iii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

(iv) the delivery to the Stock Exchange and the delivery to the Registrar of Companies in Hong Kong for registration of one duly certified copy of the Prospectus, together with the PALs and all other documents required to be attached thereto, in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules, by no later than the Prospectus Posting Date;

(v) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter, if any, to the Excluded Shareholders for information purposes only, explaining the circumstances in which they are not permitted to participate in the Rights Issue by the Prospectus Posting Date;

(vi) the Placing Agreement not being terminated in accordance with its terms; and

(vii) all other necessary consent and approvals (if required) from the relevant regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

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

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

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this 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.

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

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

Shareholders and potential investors of the Company should also note that the Capital Reorganisation is conditional upon the satisfaction of the conditions set out in the section headed "Conditions of the Capital Reduction and the Sub-division" in this announcement, and accordingly the Capital Reorganisation may or may not become effective. Shareholders and potential investors of the Company are advised to 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, 3 December 2026 to Wednesday, 9 December 2026 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Monday, 15 February 2027 to Friday, 19 February 2027 (both dates inclusive) for determining the entitlements to the Rights Issue.

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

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganisation and the Rights Issue. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to Capital Reorganisation and the Rights Issue and is therefore for indicative purposes only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates.

Event	**Time and Date**
Publication of the announcement	Tuesday, 3 November 2026
Despatch of circular and notice of EGM	Monday, 23 November 2026
Latest time for lodging share transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Wednesday, 2 December 2026
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Thursday, 3 December 2026 to Wednesday, 9 December 2026
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Monday, 7 December 2026
Record Date for attending and voting at the EGM	Wednesday, 9 December 2026
Date and time of the EGM	11:00 a.m. on Wednesday, 9 December 2026
Announcement of voting results of the EGM	Wednesday, 9 December 2026
Register of members re-opens	Thursday, 10 December 2026

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation and therefore the dates are tentative:

Expected effective date of the Capital Reorganisation . . . . . Thursday, 17 December 2026

First day of free exchange of existing share certificates of the Existing Shares for new share certificates for the Adjusted Shares . . . . . Thursday, 17 December 2026

Commencement of dealings in the Adjusted Shares . . . . . 9:00 a.m. on Thursday, 17 December 2026

Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes . . . . . 9:00 a.m. on Thursday, 17 December 2026

Temporary counter for trading in the Adjusted Shares in temporary board lots of 2,000 Adjusted Shares (in the form of existing share certificates) opens . . . . . 9:00 a.m. on Thursday, 17 December 2026

Original counter for trading in the Adjusted Shares in board lots of 10,000 Adjusted Shares (in the form of new share certificates for Adjusted Shares) re-opens . . . . . 9:00 a.m. on Monday, 4 January 2027

Parallel trading in the Adjusted Shares in the form of existing share certificates and new share certificates commences. . . . . 9:00 a.m. on Monday, 4 January 2027

Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares. . . . . 9:00 a.m. on Monday, 4 January 2027

Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares. . . . . 4:00 p.m. on Friday, 22 January 2027

Temporary counter for trading in the Adjusted Shares in temporary board lots of 2,000 Adjusted Shares (in the form of existing share certificates) closes . . . . . 4:10 p.m. on Friday, 22 January 2027

Event	Time and Date
Parallel trading in the Adjusted Shares in the form of existing share certificates and new share certificates ends	4:10 p.m. on Friday, 22 January 2027
Last day for free exchange of existing share certificates of the Existing Shares for new share certificates for the Adjusted Shares	Tuesday, 26 January 2027
The following events are conditional on the fulfilment of the condition(s) for the implementation of the Rights Issue.	
Last day of dealings in the Adjusted Shares on a cum-rights basis for the Rights Issue	Wednesday, 10 February 2027
First day of dealings in Adjusted Shares on an ex-rights basis for the Rights Issue	Thursday, 11 February 2027
Latest time for the Shareholders to lodge transfer documents of Adjusted Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 12 February 2027
Closure of register of members of the Company for the Rights Issue (both dates inclusive)	Monday, 15 February 2027 to Friday, 19 February 2027
Record Date for determining entitlements to the Rights Issue	Friday, 19 February 2027
Register of members of the Company re-opens	Monday, 22 February 2027
Despatch of Prospectus Documents for the Rights Issue	Monday, 22 February 2027
First day of dealings in nil-paid Rights Shares	Wednesday, 24 February 2027
Latest time for splitting of PAL	4:00 p.m. on Friday, 26 February 2027
Last day of dealings in nil-paid Rights Shares	Wednesday, 3 March 2027
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	4:00 p.m. on Monday, 8 March 2027

Event	Time and Date
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 8 March 2027
Announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 12 March 2027
Commencement of placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Monday, 15 March 2027
Latest time for placing the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	4:00 p.m. on Wednesday, 17 March 2027
Latest time for termination of the Placing Agreement	4:00 p.m. on Friday, 19 March 2027
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	4:00 p.m. on Friday, 19 March 2027
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights share under the Compensatory Arrangements)	Tuesday, 23 March 2027
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed)	Wednesday, 24 March 2027
Certificates for fully-paid Rights Shares to be despatched	Wednesday, 24 March 2027
Commencement of dealings in fully-paid Rights Shares	Thursday, 25 March 2027
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Friday, 9 April 2027

Effect of bad weather and/or extreme conditions on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place as scheduled if a tropical cyclone warning signal no. 8 or above is hoisted, or "extreme conditions" caused by super typhoons as announced by the Government of Hong Kong or a black rainstorm warning signal is/are in force in Hong Kong (i) at any local time before 12:00 noon but no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, in which case the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or (ii) at any local time between 12:00 noon and the Latest Time for Acceptance, in which case the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day on which no tropical cyclone warning signal no. 8 or above, no "extreme conditions" and no black rainstorm warning signal is in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place as scheduled, the dates mentioned in the section headed "Expected Timetable" above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 301,860,000 Shares in issue. The following table sets out the possible changes in the shareholding structure of the Company arising from the proposed Capital Reorganisation and Rights Issue which are for illustrative purposes only.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Capital Reorganisation becoming effective but before completion of the Rights Issue; (iii) immediately after completion of the Rights Issue, assuming all Qualifying Shareholders take up their respective entitlements in full; and (iv) immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed by the Placing Agent:

	As at the date of this announcement		**immediately after the Capital Reorganisation becoming effective but before completion of the Rights Issue**		**Assuming all Qualifying Shareholders take up their respective entitlement of Rights Shares in full**		**Immediately after completion of the Rights Issue Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent**	
	Number of Shares	*Approx.% (note i)*	*Number of Adjusted Shares*	*Approx.% (note i)*	*Number of Adjusted Shares*	*Approx.% (note i)*	*Number of Adjusted Shares*	*Approx.% (note i)*
Ms. Yu Xiao *(note ii)*	780,000	0.26%	156,000	0.26%	624,000	0.26%	156,000	0.06%
Mr. Liao Honghao *(note iii)*	780,000	0.26%	156,000	0.26%	624,000	0.26%	156,000	0.06%
Ms. Lao In Iam *(note iv)*	780,000	0.26%	156,000	0.26%	624,000	0.26%	156,000	0.06%
Public Shareholders	299,520,000	99.22%	59,904,000	99.22%	239,616,000	99.22%	59,904,000	24.81%
Independent Placees							181,116,000	75%
	301,860,000	100.00%	60,372,000	100.00%	241,488,000	100.00%	241,488,000	100.00%

Note:

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

(ii) Ms. Yu Xiao, the executive Director of the Company.

(iii) Mr. Liao Honghao resigned as an independent non-executive Director of the Company with effect from 17 August 2026.

(iv) Ms. Lao In Iam, an independent non-executive Director of the Company.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

The Directors will take appropriate steps to ensure that not less than 25% of the total number of issued Shares (excluding treasury shares) of the Company will be held by the public in compliance with Rule 17.37B of the GEM Listing Rules upon completion of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) the provision of civil engineering works and decoration and renovation works as a subcontractor in Hong Kong; and (ii) the operation of its health technology business through Anjulai, a wholly-owned subsidiary established in Shenzhen.

As at 31 March 2026, the Company's cash and bank balances amounted to approximately HK$9.3 million, while its current liabilities stood at approximately HK$42.1 million (comprising trade payables of approximately HK$9.2 million, accruals and other payables of approximately HK$20.0 million, and bond payable of approximately HK$12.0 million, tax payables of approximately HK$0.6 million and contract liabilities of approximately HK$0.3 million). The Company has recorded net profit of approximately HK$23.3 million and net loss of HK$5.9 million for the financial years ended 31 March 2026 and 2025 respectively.

As a result, the Company's operating cash flow is insufficient to simultaneously service its debt obligations, meet rental and payroll commitments, and maintain day-to-day operations. The Board considers that the Company faces an immediate and material liquidity strain that must be addressed.

In considering options to address the Company's funding needs, the Board evaluated debt financing alternatives. However, given the Company's existing gearing level and the interest burden associated with its current borrowings (which bear interest at 6.0% per annum), additional debt financing would further increase finance costs and adversely affect the Company's financial position. The Board therefore considers the Rights Issue to be the most appropriate means of raising capital as it (i) strengthens the Company's capital base, (ii) does not incur additional debt financing costs, and (iii) allows all Qualifying Shareholders to participate in the fundraising on a pro-rata basis.

Assuming full subscription, the estimated net proceeds from the Rights Issue will be approximately HK$55.7 million (after deducting estimated expenses of approximately HK$2.3 million). The Company intends to apply the net proceeds as follows:

(i) approximately HK$16.2 million for the full repayment of the outstanding principal and accrued interest under the Bond; and

(ii) approximately HK$39.5 million for the working capital for the existing business.

In the event that the Rights Issue is not fully subscribed, the net proceeds actually received by the Company will be applied towards the above uses in the order of priority set out above.

Repayment of the Company's borrowings

On 2 December 2020, the Company issued the Bond in the principal amount of HK$12,000,000 to Wonder Time Holdings Limited. Wonder Time Holdings Limited is ultimately wholly owned by Lerado Financial Group Company Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1225). The Bond was issued for the purpose of financing the general working capital requirements of the Company. The proceeds from the issue of the Bond were subsequently applied towards the settlement of amounts due by the Company to a former Shareholder during the years ended 31 March 2023 and 31 March 2024. The Bond had a term of two years, carried interest at a rate of 6.0% per annum and matured on 2 December 2022. Under the terms of the Bond, no default interest, penalty or other additional charges are payable. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Bondholder and Lerado Financial Group Company Limited does not have, and has not had, any relationship or connection with the Company, its subsidiaries, Directors, chief executive, substantial Shareholders, connected persons or any of their respective associates, and each of the Bondholder and Lerado Financial Group Company Limited is an Independent Third Party.

The principal amount of the Bond was not repaid upon maturity and has remained outstanding since 2 December 2022. No agreement has been entered into between the Company and the Bondholder to extend the maturity date of the Bond or otherwise amend its repayment terms. Interest has continued to accrue on the outstanding principal at the contractual rate of 6.0% per annum.

On 25 September 2026, the Company received a written demand notice from the Bondholder demanding payment of the entire outstanding amount under the Bond, being HK$16,187,836 as at 25 September 2026, within 14 days from the date of the demand notice. The amount demanded comprises the principal amount of HK$12,000,000 and interest of HK$4,187,836 accrued at 6.0% per annum from 2 December 2020 to 25 September 2026.

Following further negotiations between the Company and the Bondholder, on 7 October 2026, the Bondholder issued a supplemental letter pursuant to which the Bondholder agreed to extend the deadline for the full and final settlement of the outstanding amount under the Bond to 31 March 2027 and to waive all interest accruing after 25 September 2026, conditional upon the Company making full and final settlement of the outstanding amount of HK$16,187,836 on or before 31 March 2027. Accordingly, subject to the Company completing such settlement by 31 March 2027, no interest accruing after 25 September 2026 will be payable by the Company. The Company has acknowledged and agreed to the revised settlement arrangement.

As at the date of this announcement, no payment has been made by the Company in respect of the amount demanded, and the amount of HK$16,187,836 remains outstanding. Save for the demand notice dated 25 September 2026 and the supplemental letter dated 7 October 2026, the Company has not received any other repayment demand from the Bondholder.

The Board intends to apply approximately HK$16.2 million of the net proceeds from the Rights Issue towards the full repayment of the outstanding principal and accrued interest under the Bond.

The amount of approximately HK$16.2 million was determined by the Company by calculation, by reference to the principal amount of the Bond of HK$12.0 million and the interest payables of approximately HK$4.2 million as stated in the demand letter received from the Bondholder. The application of such amount will constitute a full and final settlement of the Company's liabilities under the Bond.

The Company intends to settle the outstanding amount as soon as practicable after the relevant net proceeds from the Rights Issue become available and, in any event, on or before 31 March 2027. Having regard to the proximity between the expected completion timetable of the Rights Issue and the revised settlement deadline, the Company will closely monitor the progress of the Rights Issue and the availability of the net proceeds. If the net proceeds from the Rights Issue are not available in sufficient time or are insufficient to settle the outstanding amount in full, the Company will use its best endeavours to explore and secure alternative funding sources, which may include internal resources and/or other financing arrangements, with a view to completing the settlement on or before 31 March 2027.

Upon full repayment of the Bond, the Company expects to fully discharge its liabilities under the Bond, reduce its outstanding indebtedness and improve its gearing and liquidity position.

Working capital for existing business

The balance of approximately HK$39.5 million will be applied as working capital for the Company's existing businesses and is expected to be fully utilised within approximately 12 months after completion of the Rights Issue.

As at 30 September 2026, the Company's cash and bank balances amounted to approximately HK$2.3 million, while its administrative and other operating expenses are estimated to be approximately HK$9.5 million per annum.

The Company's cash and bank balances decreased by approximately HK$7.0 million, from approximately HK$9.3 million as at 31 March 2026 to approximately HK$2.3 million as at 30 September 2026. During the six months ended 30 September 2026, the Company recorded cash inflows of approximately HK$3.9 million from the collection of trade receivables. Such cash inflows were more than offset by cash outflows comprising approximately HK$3.3 million for the settlement of trade payables, approximately HK$2.2 million for the settlement of accruals and other payables, approximately HK$1.2 million for advertising expenses, approximately HK$1.0 million for legal and other professional fees, approximately HK$1.6 million for the provision of cash collateral and/or a deposit for procuring a surety bond, approximately HK$0.7 million for staff salaries and Directors' fees, approximately HK$0.2 million for audit fees, and approximately HK$0.7 million for other operating and administrative expenses.

The Company's operating cash flow varies depending on the timing of project payments. The provision of civil engineering and renovation works is project-based, under which payments are generally made by customers based on certified work progress, with part of each payment being withheld as retention money until the expiry of the relevant defects liability period. The net operating cash inflow of approximately HK$7.8 million for the year ended 31 March 2026 mainly reflected the recovery of contract assets and trade receivables and did not represent a recurring level of cash available to fund the Company's future operations and business development.

Having considered the Company's existing cash resources, operating requirements and development plans for its civil engineering and renovation works segment and health technology business segment, the Directors consider that additional working capital is required to support the Company's ongoing operations and planned business development. The Company intends to apply the HK$39.5 million as follows:

(a) Approximately HK$9.5 million will be applied towards the Company's general corporate expenses for the forthcoming 12 months, including staff costs, rental expenses, professional fees and other administrative and operating expenses.

(b) Approximately HK$20.0 million will be applied towards the Company's civil engineering and renovation works segment as follows:

    (i) Approximately HK$5.0 million will be applied towards the provision of cash collateral and/or deposits required for procuring surety bonds in connection with prospective construction projects.

        The Company is currently in active negotiations with a prospective customer, which is an Independent Third Party, in respect of a construction project with an estimated contract sum of approximately HK$19.0 million, with a view to securing the award of the project. In connection with the proposed award, the prospective customer has requested the Company to procure a surety bond in the amount of approximately HK$3.8 million, representing approximately 20% of the estimated contract sum.

        Upon the successful conclusion of the negotiations and the award of the project to the Company, the Company intends to apply approximately HK$3.8 million as cash collateral and/or a deposit for procuring the required surety bond. The remaining approximately HK$1.2 million will be reserved for cash collateral and/or deposits required for procuring surety bonds in connection with other prospective construction projects.

        The Board considers that the proposed allocation will strengthen the Company's financial capacity to satisfy the surety bond requirements of prospective customers and place the Company in a better position to secure and undertake construction projects. Pending finalisation of the above project, the relevant net proceeds will be retained for the procurement of surety bonds in connection with such project and/or other suitable construction projects being pursued by the Company.

(ii) Approximately HK$15.0 million will be applied towards the expansion and enhancement of the Company's existing construction operations as follows:

Item	Allocation	Expected timing	Purpose
Project working capital for the procurement of construction materials and settlement of trade payables	HK$10.0 million	Within 12 months after completion of the Rights Issue	To support concurrent active projects and the timely settlement of trade payables, which amounted to approximately HK$9.2 million as at 31 March 2026
Recruitment of core supervisory personnel, including project managers, site agents and safety officers, subject to the requirements of projects secured	HK$3.0 million	Within 12 months after completion of the Rights Issue	To increase the Company's capacity to manage a greater number of projects concurrently and undertake higher-value and more technically demanding works
Purchase of specialised construction machinery and tools, subject to the requirements of projects secured	HK$2.0 million	As and when required by the relevant projects	To acquire machinery and tools where purchasing is considered more cost-effective than renting
Total	HK$15.0 million		

As at the date of this announcement, the Group had 14 secured contracts on hand with an aggregate contract sum of approximately HK$416.6 million. These contracts principally related to civil engineering works and decoration and renovation works in Hong Kong and were at various stages of implementation. Of the aggregate contract sum, approximately HK$72 million remained to be recognised as revenue as at the date of this announcement. Based on the Group's best estimate and the current progress of the relevant projects, approximately HK$41 million of such amount is expected to be recognised as revenue within 12 months after the date of the announcement, while the remaining approximately HK$31 million is expected to be recognised thereafter.

The duration of the relevant projects generally ranges from several months to several years, depending on the nature, scope and complexity of the works to be performed and the requirements of the respective main contractors. The actual completion date of each project may also be affected by, among other things, the progress of the works, variations in work orders and other circumstances arising during project implementation. Based on the current progress of the relevant projects and the applicable payment and settlement arrangements, the Group expects that the outstanding payments in respect of the works completed and certified as at the date of this announcement will be collected by 30 June 2027, subject to the actual settlement process and final account settlement with the respective main contractors.

Under the project-based payment arrangements applicable to the Group's construction operations, the Group generally incurs project costs, including the costs of construction materials, subcontracting charges, staff and site personnel costs, rental of machinery and equipment and other site operating expenses, before receiving the corresponding certified progress payments. In addition, a portion of each progress payment is generally withheld by customers as retention money. The timing difference between the payment of project costs and the receipt of certified progress payments, together with the retention arrangements, gives rise to working capital requirements for the Group's construction business.

Having regard to the number, aggregate contract sum and implementation status of the contracts on hand, the Directors consider that additional working capital is required to support the concurrent implementation of the Group's secured projects. Accordingly, approximately HK$15.0 million of the net proceeds from the Rights Issue is intended to be applied towards the expansion and enhancement of the Group's existing construction business, principally to finance the working capital requirements arising from the implementation of its secured projects and, where appropriate, the undertaking of new projects. The additional project working capital will enable the Group to settle amounts due to its suppliers and subcontractors in a timely manner and enhance its capacity to undertake a greater number of construction projects concurrently.

The Group currently rents the machinery and tools required for its construction projects. Any purchase of specialised machinery or tools will be determined on a project-by-project basis, having regard to the specific requirements of the relevant project and a comparison between the rental costs and the total costs of ownership, including acquisition, maintenance, repair and storage costs. As machinery or tools purchased for one project may not be suitable for use in subsequent projects, no purchase decision had been made and no quotation had been obtained as at the date of this announcement. Any portion of the net proceeds allocated to the purchase of machinery and tools which is not required will be reallocated to project working capital under this sub-paragraph (ii).

(c) Approximately HK$10.0 million will be applied towards the development of the Company's health technology business segment in the PRC as follows:

Item	Allocation	Expected timing	Purpose
Supply chain development and procurement deposits	HK$5.0 million	Within 12 months after completion of the Rights Issue	To pay procurement deposits and/or advance payments to selected qualified manufacturers and suppliers, secure a stable supply of medical device products and medical consumables, enhance Anjulai's bargaining position in bulk procurement and, where commercially available, obtain more favourable procurement terms
Licensing and qualification upgrades, compliant warehousing arrangements, quality control systems and sales channel development	HK$5.0 million	Within 12 months after completion of the Rights Issue	To apply for and maintain additional medical device business licences, filings and qualifications, including those relating to Class III medical devices and online sales; lease compliant third-party warehousing and logistics facilities; establish or upgrade quality control and product traceability systems; and develop additional sales and distribution channels
Total	HK$10.0 million		

The health technology business segment currently operates through Anjulai, a wholly-owned subsidiary established in Shenzhen. Anjulai was established by the Group in Shenzhen on 12 March 2026 as an internally developed business platform for conducting the Group's medical technology and medical device trading business in the PRC. Since its establishment, the Group had provided aggregate funding of approximately HK$1.4 million to Anjulai, which had been applied principally towards its incorporation and initial establishment, applications for the relevant qualifications and registrations, establishment of its compliance and operational infrastructure, business promotion and initial operating expenses. It sources medical device products from third-party manufacturers and supplies such products primarily to medical device trading and distribution companies in the PRC. Its target customers may also include pharmacies and medical institutions in the PRC as the business develops and subject to compliance with the applicable qualification and regulatory requirements.

In addition to the supply of medical device products, Anjulai provides value-added services throughout the procurement and sales process, including the verification of manufacturers' and products' qualifications, quality inspection, compliant storage, logistics and product traceability, and, where applicable, product training for customers and after-sales support.

Its revenue of approximately HK$2.0 million for the year ended 31 March 2026 was generated during less than one month of operation. During the six months ended 30 September 2026, Anjulai entered into four sales contracts, each with a contract sum ranging from approximately RMB500,000 to RMB600,000. The four contracts are one-off sales contracts relating to the sale and purchase of the medical device products specified in the respective contracts, rather than long-term or framework distribution arrangements. As at the date of this announcement, Anjulai has four employees and is principally engaged in Class I and Class II medical devices.

Existing products and commercial arrangements

The products currently sold or proposed to be sold by Anjulai principally include blood glucose meters, single-use catheters, medical imaging software and dural repair materials, as well as other medical devices and medical consumables manufactured by qualified manufacturers and possessing the requisite registrations, filings and approvals in the PRC. All existing commercial contracts entered into by Anjulai are effective in, and relate to sales within, the PRC.

Anjulai has not entered into any exclusive or non-exclusive distribution, agency or similar authorisation agreement with any manufacturer or supplier. Its existing business is conducted under outright purchase and sale contracts, under which Anjulai purchases the relevant products from upstream suppliers as principal, obtains title to the products and subsequently resells them to downstream customers.

Business model and pricing policy

Anjulai adopts a business-to-business, outright purchase and resale model. Before entering into a transaction, it reviews the qualifications of the relevant supplier and customer, the registration or filing status of the relevant product, and the relevant title, delivery, invoicing and payment arrangements. It principally targets medical device trading and distribution companies in the PRC which possess the requisite qualifications. If Anjulai expands its customer base to pharmacies, hospitals or other medical institutions in the future, it will ensure that the relevant operations comply with the applicable PRC regulatory requirements.

Purchase and selling prices are determined through arm's length commercial negotiations, having regard to prevailing market prices in the PRC, product type and quantity, supply and payment terms, logistics and other related costs, and a reasonable commercial profit margin. Anjulai generates revenue and profit from the difference between the selling price charged to its downstream customers and the procurement and other costs incurred in connection with the relevant transactions.

Payment and inventory arrangements

Under the four sales contracts entered into by Anjulai during the six months ended 30 September 2026, no contractual credit period was granted to the customers, and the customers were required to settle the relevant purchase prices in full in accordance with the payment terms specified in the respective contracts. Any outstanding trade receivables primarily arose from the time required for the customers' internal settlement procedures and the completion of the relevant delivery, inspection and acceptance processes, rather than from any contractual credit period granted by Anjulai.

In contrast, Anjulai's upstream suppliers generally do not provide any credit period or procurement credit facilities. Depending on the terms of the relevant transaction, Anjulai is generally required to pay a procurement deposit or make full payment in advance or upon procurement. Such payment arrangements enable Anjulai to secure the required products and, where available, negotiate bulk purchase discounts or other favourable commercial terms with suppliers.

Anjulai adopts a demand-driven inventory procurement and distribution model. Based on its assessment of market demand and available customer and sales opportunities, Anjulai may procure and hold an appropriate level of inventory in advance to facilitate timely delivery and distribution. Anjulai manages its procurement volume with reference to expected product demand, inventory exposure, product characteristics and its available financial resources. Based on its current business model and inventory management policy, Anjulai generally targets an inventory holding period of not more than three months, although the actual holding period may vary depending on market demand, customer requirements and the nature of the relevant products.

Procurement, sales and distribution process

Anjulai purchases products directly from qualified upstream suppliers, which are delivered to a location designated by Anjulai for inspection and acceptance, including verification of quantity, condition and supporting documents. After obtaining title to the products, Anjulai resells them to qualified downstream customers in accordance with the agreed commercial terms, and maintains the relevant procurement, sales, inventory and traceability records in accordance with its internal procedures and applicable regulatory requirements.

Anjulai conducts its business on a transaction-by-transaction basis, prioritising suppliers and customers with verifiable commercial backgrounds and products with clear title and identifiable market demand. It controls the scale of each transaction having regard to product demand, counterparty standing, potential inventory exposure and the Company's available financial resources.

Target market and customer acquisition

The target market of the health technology business is the Chinese Mainland market. At the current stage, Anjulai's target customers are principally business-to-business medical device trading and distribution companies, including second-tier and intermediate distributors possessing the requisite qualifications.

Anjulai currently identifies business opportunities through commercial contacts within the medical device industry, supplier referrals and direct negotiations with potential customers. As the business develops, it intends to expand its network through industry exhibitions and events and further development of upstream and downstream supply-chain resources.

Management team

The management team of Anjulai comprises personnel with relevant experience in pharmaceutical and medical device distribution, quality control, business development and warehouse operations. Set out below are the biographies of the key members of its management and operational team:

Mr. Xie Zihuang（謝梓煌）

Mr. Xie is the legal representative and designated business representative of Anjulai. Mr. Xie graduated from Beijing Jiaotong University with a degree in Transportation Management. He has over five years of experience in the operation of large-scale pharmaceutical retail chains and pharmaceutical distribution businesses. Through his industry experience, Mr. Xie has developed practical knowledge of pharmaceutical distribution and medical device supply chain operations. Mr. Xie is primarily responsible for formulating the business strategies and market positioning of Anjulai, developing upstream and downstream supply chain resources, conducting commercial negotiations, overseeing project execution, and coordinating the management of business and operational risks.

Mr. Li Pingzheng（李平正）

Mr. Li is the head of quality management of Anjulai. Mr. Li graduated from Guangzhou University of Chinese Medicine with a degree in Chinese Medicine and is a licensed practitioner of traditional Chinese medicine in the PRC. He has over ten years of experience with Xiuzheng Pharmaceutical Group and possesses extensive knowledge of the quality management requirements applicable to the pharmaceutical and medical device distribution sectors. Mr. Li is primarily responsible for establishing, implementing and overseeing the quality management system for the medical device business of Anjulai. His responsibilities also include verifying the qualifications of suppliers, customers and products, approving products for distribution, and overseeing quality assurance, regulatory compliance and related risk controls.

Ms. Wang Yaqi（王雅琪）

Ms. Wang is the head of sales of Anjulai. Ms. Wang graduated from Tianjin Normal University. She has several years of experience in business-to-business sales, market development and commercial relationship management and is a core member of the sales team of Anjulai. Ms. Wang is primarily responsible for identifying market and business opportunities in the medical device sector, liaising with upstream suppliers and downstream customers, conducting commercial negotiations, following up on customer orders and maintaining business relationships. She also assists in implementing sales strategies and monitors the entire order fulfilment process, thereby supporting the continued expansion of the company's customer base and business network.

Mr. Chen Mingxing（陳明星）

Mr. Chen is the head of warehouse operations of Anjulai. Mr. Chen has several years of practical experience in warehouse operations and inventory management in the pharmaceutical and medical device sectors. He is familiar with the applicable requirements relating to the storage, maintenance, receipt and dispatch of medical devices, as well as inventory record-keeping and product traceability. Mr. Chen is primarily responsible for the inspection and acceptance of incoming medical device products, in-warehouse storage and maintenance, verification of outgoing products, monitoring of warehouse conditions, physical inventory counts and maintenance of warehouse records.

Competitive strengths

The Directors consider that the competitive strengths of the health technology business include the following:

1. **Financial and operational support from the Group:** subject to the Group's available financial resources, Anjulai may utilise the Group's financial and operational support to satisfy the working capital requirements of medical device transactions, including transactions under which suppliers require payment in full or payment in advance;

2. **Risk management and compliance support:** Anjulai has access to the Group's legal and finance personnel and external medical device compliance advisers to assist in verifying counterparty qualifications and ensuring consistency among contracts, goods movement, invoices and payment flows;

3. **Flexible and prudent operating model:** as a new market participant, Anjulai focuses on relatively small-scale, transaction-by-transaction business with clear title and identifiable market demand, allowing it to manage risk while building up its track record;

4. **Local presence:** Anjulai is established and operates in Shenzhen, which facilitates its access to suppliers, customers and other medical device supply-chain resources in Southern China and the Greater Bay Area; and

5. **Professional management and operational team:** Anjulai's management and operational team has relevant experience in pharmaceutical and medical device distribution, quality management, sales and business development, and warehouse management, covering business strategy, supplier and customer development, regulatory compliance, quality control and order fulfilment. The Board considers that the team possesses the experience and capabilities required to support Anjulai's current operations and future development, and intends to recruit additional personnel as the business expands.

The Group intends to develop the health technology business in two phases. During the first phase, which is expected to take place within six months after completion of the Rights Issue, the Group intends to strengthen Anjulai's supply chain resources, increase its procurement capacity and apply for further licences, filings and qualifications, including those relating to Class III medical devices and online sales. During the second phase, which is expected to take place between six and 12 months after completion of the Rights Issue, the Group intends to further enhance its compliant warehousing and logistics arrangements, quality control and product traceability systems and expand its sales and distribution channels in the Greater Bay Area. The second phase will proceed after taking into account the progress of the first phase and the actual operating and financial performance of the health technology business.

The Board considers the allocation of HK$10.0 million to the health technology business to be reasonable because:

(i) Anjulai was only established on 12 March 2026, and the revenue recorded for the year ended 31 March 2026 represented less than one month of operation. Such revenue therefore does not reflect the potential scale or working capital requirements of the business following the proposed expansion of its procurement activities, product coverage and sales channels;

(ii) the Group's initial funding of approximately HK$1.4 million was principally used to establish Anjulai's basic operational and compliance infrastructure and support its initial business operations. While such funding enabled Anjulai to commence operations and enter into its initial sales contracts, it is not sufficient to support the proposed increase in procurement volume, licensing and qualification upgrades and sales channel development;

(iii) Anjulai's upstream suppliers generally do not provide any credit period or procurement credit facilities and require procurement deposits, advance payments or full payment upon procurement. Anjulai therefore requires sufficient upfront working capital to secure products, support an increase in transaction volume and, where commercially available, negotiate bulk purchase discounts and other favourable procurement terms;

(iv) additional expenditure will be required to apply for and maintain licences, filings and qualifications relating to additional categories of medical devices and online sales, lease compliant third-party warehousing and logistics facilities, establish or upgrade quality control and product traceability systems, and develop additional sales and distribution channels; and

(v) the proposed development is in line with the Company's business strategy as disclosed in its 2026 annual report. The Board considers that the Group's existing operational base in Shenzhen provides a suitable platform for expanding its medical device distribution network in the Greater Bay Area and diversifying the Group's revenue sources, thereby reducing its reliance on the cyclical construction business.

The above allocations reflect the Board's current intentions based on the Company's present business plans and circumstances. If any amount allocated to a particular purpose is not required or if there is any material change in the proposed use of proceeds, the Company may reallocate such amount having regard to its actual business and operational requirements and will make further announcement(s) in accordance with the GEM Listing Rules, where required.

Alternative fund-raising methods considered

The Directors have considered other financing alternatives, including debt financing and equity fund raising such as placement of new Shares and open offer. The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole for the following reasons:

(i) The Rights Issue provides all Qualifying Shareholders with the opportunity to maintain their respective pro rata shareholding interests in the Company and to participate in the Company's growth in proportion to their existing shareholdings. Although Qualifying Shareholders who do not take up their entitlements and Excluded Shareholders may experience dilution, the Rights Issue is conditional on approval by the Independent Shareholders at the EGM, thereby giving them the opportunity to decide whether the Company should proceed.

(ii) As regards debt financing, the Company has attempted to obtain loan financing from independent third parties. As at the date of this announcement, the interest rates offered were generally over 20% per annum, which the Board considers excessive and detrimental to the Company, given the Company's current financial position and liquidity requirements.

(iii) A placement of new Shares would result in immediate dilution of existing Shareholders' interests without offering them the opportunity to participate in the enlarged capital base of the Company.

(iv) An open offer, while similar to a rights issue in allowing qualifying shareholders to participate, does not permit the trading of rights entitlements in the open market, thereby limiting Shareholders' flexibility to realise value from their entitlements if they choose not to subscribe.

The Directors therefore consider that equity financing through the Rights Issue does not involve recurring interest expenses, is generally simpler and quicker to execute than negotiating bank borrowings, and allows the Company to react promptly to market conditions and business opportunities, while preserving the pre-emptive rights of existing Shareholders.

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

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

Save for the Rights Issue, the Board has no intention or plan to conduct any other equity fund raising activities in the next 12 months. However, in the event that the net proceeds from the Rights Issue cannot satisfy the funding needs of the Company, the Board does not rule out the possibility of conducting other fund raising exercises as and when appropriate.

GEM LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As there are no controlling shareholders of the Company, Mr. Chen Jian and Ms. Yu Xiao, both being executive Directors and chief executives of the Company, together with their respective associates, are required to abstain from voting in favour of the resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the date of this announcement, Mr. Chen Jian and his associates do not hold any Existing Shares in the Company. Ms. Yu Xiao holds 780,000 Existing Shares, representing approximately 0.26% of the existing issued share capital of the Company. None of Ms. Yu Xiao's associates holds any Existing Shares.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Rights Issue. Vinco Financial Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable, in the interests of the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Rights Issue and the transactions contemplated hereunder. A circular containing, among other things, (i) details of the Capital Reorganisation; (ii) further details of the Rights Issue; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 23 November 2026.

Subject to the approval of the Capital Reorganisation by the Shareholders and the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Company, and PAL(s) are expected to be despatched to the Qualifying Shareholders on Monday, 22 February 2027.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

"Adjusted Share(s)"	ordinary share(s) with par value of HK$0.016 each in the share capital of the Company immediately following the Share Consolidation, the Capital Reduction, the Sub-division and the increase in authorised share capital becoming effective
"AFRC"	the Accounting and Financial Reporting Council in Hong Kong
"Anjulai"	安菊萊生物科技(深圳)有限公司 (Anjulai Biotechnology (Shenzhen) Company Limited*), a wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
"Board"	the board of Directors
"Bond"	the Bond issued by the Company in the principal amount of HK$12,000,000 to Wonder Time Holdings Limited on 2 December 2020 with a term of two years, carrying interest at a rate of 6.0% per annum and maturing on 2 December 2022
"Bondholder"	Wonder Time Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
"Business Day"	any day on which the Stock Exchange generally is open for business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of this announcement be counted as a business day

* *For identification purposes only*

"Capital Reduction"	the reduction of the issued share capital of the Company by reducing the par value of each issued Consolidated Share from HK$0.800 to HK$0.016 by cancelling the paid-up share capital to the extent of HK$0.784 per issued Consolidated Share
"Capital Reorganisation"	the Share Consolidation, the Capital Reduction, the Sub-division and the increase in authorised share capital
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS 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
"China", "Chinese Mainland" or "PRC"	the People's Republic of China (中華人民共和國) and for the purpose of this document only and for geographical reference only, except where the context requires, references in this document to "China" and the "PRC" do not apply to Hong Kong SAR, Macau Special Administrative Region and Taiwan Region
"Companies Act"	the Companies Act (As Revised) of the Cayman Islands
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Ju Fu Tang Biotech Holdings Co., Ltd, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the GEM (stock code: 8217)
"Compensatory Arrangements"	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.31(1)(b) of the GEM Listing Rules
"Consolidated Share(s)"	ordinary share(s) of HK$0.800 each in the share capital of the Company immediately following the Share Consolidation becoming effective

"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries, including Anjulai
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Capital Reorganisation and the Rights Issue
"ES Unsold Rights Share(s)"	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form but have not been sold by the Company
"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Existing Share(s)"	ordinary share(s) with par value of HK$0.160 each in the share capital of the Company prior to the Share Consolidation becoming effective
"GEM"	GEM of the Stock Exchange
"GEM Listing Committee of the Stock Exchange"	has the same meaning ascribed thereto under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"General Rules of CCASS"	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 CCASS Operational Procedures
"Greater Bay Area"	the Guangdong-Hong Kong-Macau Greater Bay Area（粵港澳大灣區）comprises the two Special Administrative Regions of Hong Kong and Macao, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province
"HKSCC"	Hong Kong Securities Clearing Company Limited

"Hong Kong"	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 established for the purpose of giving a recommendation to Independent Shareholders of the Rights Issue
"Independent Financial Adviser"	Vinco Financial Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO, being the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and its connected persons
"Last Trading Day"	Tuesday, 3 November 2026, being the last trading day of the Existing Shares on the Stock Exchange before the release of this announcement
"Latest Placing Date"	Wednesday, 17 March 2027 or such later date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares
"Latest Placing Time"	4:00 p.m. on the Latest Placing Date
"Latest Time for Acceptance"	4:00 p.m. on Monday, 8 March 2027, being the latest time for acceptance of and payment for the Rights Shares
"Long Stop Date"	Friday, 19 March 2027 or such later date as may be agreed between the Placing Agent and the Company in writing
"Net Gain"	any premiums paid by the placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements after deducting the related placing expenses and other related expenses

"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 lapse
"Overseas Letter"	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placee(s)"	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
"Placing"	the offer by way of private placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Suncorp Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 10.31(1)(b) of the GEM Listing Rules

"Placing Agreement"	the placing agreement dated Tuesday, 3 November 2026 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis
"Placing Arrangement"	the Placing Arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed "The Placing Agreement" in this announcement
"Placing Period"	a period commencing from the next Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares, which is expected to be Monday, 15 March 2027, and ending at the Latest Placing Time
"Prospectus"	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	collectively, the Prospectus and PAL
"Prospectus Posting Date"	the date of despatch of the Prospectus Documents
"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"	Friday, 19 February 2027 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 three (3) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
"Rights Share(s)"	up to 181,116,000 Rights Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date other than as a result of the Capital Reorganisation becoming effective

"Share(s)"	the Existing Share(s) and/or the Consolidated Share(s) and/or the Adjusted Share(s) and/or the Rights Shares, as the case may be
"Share Consolidation"	the consolidation of every five (5) issued and unissued Existing Shares of HK$0.160 each into one (1) Consolidated Share of HK$0.800 each
"Share Registrar"	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Shareholder(s)"	the holder(s) of the Existing Share(s), or the Adjusted Share(s), as the case may be
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Sub-division"	the sub-division of each authorised but unissued Consolidated Share of HK$0.800 each into fifty (50) authorised but unissued Adjusted Shares of HK$0.016 each
"Subscription Price"	HK$0.32 per Rights Share
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Unsubscribed Rights Shares"	Rights Shares that are not subscribed by the Qualifying Shareholders
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC

By order of the Board
Ju Fu Tang Biotech Holdings Co., Ltd
Mr. Chen Jian
Executive Director

Hong Kong, 3 November 2026

As at the date of this announcement, the executive Directors are Mr. Chen Jian and Ms. Yu Xiao and the independent non-executive Directors are Mr. Wong Chi Kan, Ms. Lao In Iam and Ms. Wong Mei Yin Mian.

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.

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