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THAC Group (Holdings) Limited
一木集團(控股)有限公司

(formerly known as Classified Group (Holdings) Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8232)

(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent

駿達證券有限公司
Tiger Faith Securities Limited

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group, the Board proposes to increase the existing authorised share capital of the Company from HK$40,000,000 divided into 200,000,000 Shares with a par value HK$0.20 each to HK$200,000,000 divided into 1,000,000,000 Shares with a par value of HK$0.20 each by creating an additional 800,000,000 unissued Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Subject to the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Company proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, at the Subscription Price of HK$0.33 per Rights Share, to raise gross proceeds of approximately HK$55.2 million before deducting the costs and expenses by way of issuing up to 167,250,000 Rights Shares (assuming no change in the total issued share capital of the Company on or before the Record Date). The Rights Issue is non-underwritten, available only to the Qualifying Shareholders, and not available to the Non-Qualifying Shareholders.

Assuming full subscription of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK$54.8 million (assuming no change in the total number of Shares in issue on or before the Record Date). Details of the use of proceeds are set out in the section headed "Reasons for the Rights Issue and the use of proceeds" in this announcement.

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares in their fully-paid forms.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Registrar, Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by not later than 4:00 p.m. on Thursday, 7 January 2027.

THE COMPENSATORY ARRANGEMENTS AND PLACING ARRANGEMENT

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and NQS Unsold Rights Shares to placees for the benefit of the No Action Shareholders. 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.

On 24 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 independent placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares.

THE IRREVOCABLE UNDERTAKING

As at the date of this announcement, the Board has not received any information or irrevocable undertaking from any substantial Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them, save for the Irrevocable Undertaking given by THAC Group (BVI) Limited, controlling shareholder of the Company, who is interested in an aggregate of 39,291,625 Shares (representing approximately 70.48% of all issued Shares as at the date of this announcement).

Pursuant to the Irrevocable Undertaking, THAC Group (BVI) Limited irrevocably undertook with the Company that (i) they will subscribe for an aggregate of 117,874,875 Rights Shares which comprise the full acceptance of their aggregate provisional entitlement in respect of the 39,291,625 Shares beneficially held by them, subject to any scaling-down of its application as may be necessary to ensure compliance with the Public Float Requirement immediately upon completion of the Rights Issue; and (ii) they will not dispose of any of the 39,291,625 Shares comprising their current shareholding in the Company, and such Shares will remain beneficially owned by them, up to and including the date of completion of the Rights Issue or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 28 December 2026 to Monday, 4 January 2027 (both dates inclusive) for the purpose of determining the Shareholders' entitlements to attend and vote at the EGM. During the aforementioned period, no transfer of Shares will be registered.

The register of members of the Company will be closed from Friday, 8 January 2027 to Thursday, 14 January 2027 (both dates inclusive) for the purpose of determining the Shareholders' entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

GEM LISTING RULES IMPLICATIONS FOR THE COMPANY

The Increase in Authorised Share Capital

The Increase in Authorised Share Capital is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM approving the proposed Increase In Authorised Share Capital.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Increase In Authorised Share Capital, no Shareholder would be required to abstain from voting in favour of the resolutions relating to the Increase In Authorised Share Capital at the EGM.

The Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue must be made conditional on approval by the Shareholders at the EGM, and any controlling shareholders of the Company 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 proposed Rights Issue.

As at the date of this announcement, the Company has one controlling Shareholder, THAC Group (BVI) Limited, which directly holds 39,291,625 Shares, representing approximately 70.48% of the issued share capital of the Company, THAC Group (BVI) Limited is wholly owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, an executive director of the Company, Mr. Chan Benson, an executive director of the Company Ms. Ho Helen Kayee, an executive director of the Company, Mr. Wong Kin Man and Ms. Kwok Li Fa Eva, respectively. Therefore, Shareholder, THAC Group (BVI) Limited, Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, Ms. Kwok Li Fa Eva and their associates (as defined in the GEM Listing Rules) shall abstain from voting in favour of the proposed Rights Issue at the EGM in accordance with Rule 10.29(1) of the GEM Listing Rules. As at the date of this announcement, save for Mr. Kwok Chun Kwan, Mr. Chan Benson and Ms. Ho Helen Kayee, none of the Directors of the Company had any interest in the 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 will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wong Ho Shing Samson, Ms. Chan Sheung Yu Iris and Mr. Lau Kelly, to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the independent financial adviser.

In this connection, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder, and as to voting.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase In Authorised Share Capital and the Rights Issue. A circular containing, among other things, (i) further details of the Increase in Authorised Share Capital; (ii) further details of the Rights Issue and the Placing Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue and the transactions contemplated thereunder; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before Friday, 18 December 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

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

Shareholders and potential investors of the Company should note that the Increase In Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the GEM Listing Committee of 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.

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.

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

It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 5 January 2027, and the Shares will be dealt with on an ex-rights basis from Wednesday, 6 January 2027.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers. The Company will make further announcement(s) with regard to the status of the abovementioned transactions as and when appropriate pursuant to the requirements under the GEM Listing Rules.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group, the Board proposes to increase the existing authorised share capital of the Company from HK$40,000,000 divided into 200,000,000 Shares with a par value HK$0.20 each to HK$200,000,000 divided into 1,000,000,000 Shares with a par value of HK$0.20 each by creating an additional 800,000,000 unissued Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Subject to the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Company proposes to raise gross proceeds of up to approximately HK$55.2 million (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date) by way of the issue of up to 167,250,000 Rights Shares at the Subscription Price of HK$0.33 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date.

Further details of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every one (1) Share held by the Shareholders on the Record Date
Subscription Price:	HK$0.33 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	Approximately HK$0.3274 per Rights Share
Number of Shares in issue as at the date of this announcement:	55,750,000 Shares
Number of Rights Shares to be issued under the Rights Issue:	Up to 167,250,000 Rights Shares (assuming there is no change to the total number of Shares in issue on or before the Record Date) The aggregate nominal value of the Rights Shares will be HK$33,450,000
Total number of Shares in issue upon completion of the Rights Issue:	Up to 223,000,000 Shares (assuming there is no change to the total number of Shares in issue on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)
Maximum amount to be raised before expenses:	Up to approximately HK$55.2 million before expenses (assuming there is no change to the total number of Shares in issue on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)
Net proceeds from the Rights Issue:	Up to approximately HK$54.8 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date)
Right of excess application and underwriter:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten
Compensatory Arrangements:	Any Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

As at the date of this announcement, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming there is no change in the total number of Shares in issue on or before the Record Date and that no Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 167,250,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 300% of the total number of Shares in issue as at the date of this announcement; and (ii) 75.00% of the total number of issued Shares as enlarged by the issue of the Rights Shares immediately upon completion of the Rights Issue.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. The Cayman legal adviser of the Company have confirmed that pursuant to the Company's constitutional documents and the Companies Act (as amended) of the Cayman Islands, there are no requirements for minimum levels of subscription and minimum amount to be raised in respect of the Rights Issue. Subject to fulfillment of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the ultimate subscription level.

In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company, and hence, the size of the Rights Issue will be reduced accordingly.

The Shareholder who applies to take up his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not result in any non-compliance with the Public Float Requirement prescribed under the GEM Listing Rules on the part of the Company; and (ii) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Irrevocable Undertaking

As at the date of this announcement, the Board has not received any information or irrevocable undertaking from any substantial Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them, save for the Irrevocable Undertaking given by THAC Group (BVI) Limited, controlling shareholder of the Company, who is interested in an aggregate of 39,291,625 Shares (representing approximately 70.48% of all issued Shares as at the date of this announcement).

Pursuant to the Irrevocable Undertaking, THAC Group (BVI) Limited irrevocably undertook with the Company that (i) they will subscribe for an aggregate of 117,874,875 Rights Shares which comprise the full acceptance of their aggregate provisional entitlement in respect of the 39,291,625 Shares beneficially held by them, subject to any scaling-down of its application as may be necessary to ensure compliance with the Public Float Requirement immediately upon completion of the Rights Issue; and (ii) they will not dispose of any of the 39,291,625 Shares comprising their current shareholding in the Company, and such Shares will remain beneficially owned by them, up to and including the date of completion of the Rights Issue or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Subscription Price

The Subscription Price of HK$0.33 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and, where applicable, when a transferee of the nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of 30.53% to the theoretical closing price of HK$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 27.95% to the average closing price of approximately HK$0.458 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Last Trading Day;

(iii) a discount of approximately 30.96% to the average closing price of approximately HK$0.478 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to the Last Trading Day;

(iv) a discount of approximately 9.90% to the theoretical ex-rights price of approximately HK$0.3663 per Share based on the closing price of approximately HK$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares;

(v) a premium of approximately 638.26% over the latest published audited consolidated net asset value per Share as at 31 March 2026 of approximately HK$0.0447 based on the annual report of the Company published on 30 July 2026 for the fifteen months ended 31 March 2026 and the number of Shares in issue; and

(vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 22.89%, represented by the theoretical diluted price of approximately HK$0.3663 per Share to the benchmarked price of approximately HK$0.475 per Share (as defined under 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price on the Last Trading Day of HK$0.475 per Share and (ii) the average of the closing prices of approximately HK$0.458 per Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement).

The Subscription Price was determined by the Company with reference to, among others, (i) the prevailing market price and trading liquidities of the Shares under the prevailing market conditions; (ii) the latest business performance and financial position of the Group, (iii) the prevailing market conditions of the capital market in Hong Kong; and (iv) the reasons for and benefits of the Rights Issue as discussed in the section headed "Reasons for the Rights Issue and the use of proceeds" in this announcement.

Board's assessment of the Subscription Price and dilution effect

In assessing the Subscription Price, the Board (excluding the independent non-executive Directors, whose views will be expressed after taking into account the advice of the independent financial adviser) has considered the recent trading performance of the Shares, the Group's financial resources and funding requirements, the timing of its restaurant development programme, the potential dilution to Shareholders and the importance of encouraging participation by Qualifying Shareholders, including public Shareholders.

Recent Share price performance and timing of the Rights Issue

The Board notes that, based on the historical closing prices of the Shares during the period from 24 November 2025 to 24 November 2026, the closing price decreased from HK$2.15 to HK$0.475, representing a decline of approximately 77.91%. During that period, the closing prices ranged from HK$0.440 to HK$2.54. The Board therefore recognises that the Rights Issue is being proposed when the market price of the Shares is relatively low compared with its historical levels.

Nevertheless, the timing of the proposed fundraising is driven principally by the Group's funding requirements and restaurant development timetable, rather than an expectation regarding short-term movements in the Share price. Deferring the fundraising would introduce uncertainty into the financing of the Group's operations and development programme, particularly where payments are required to meet existing contractual commitments.

The Board also considers that historical Share prices do not necessarily represent prices at which the Company could raise equity capital under prevailing market conditions. Setting the Subscription Price by reference to substantially higher historical prices, rather than recent trading prices, could reduce the attractiveness of the Rights Issue and the likelihood of participation by Qualifying Shareholders. Accordingly, the Board considers it appropriate to assess the Subscription Price by reference to prevailing market conditions together with the Group's funding requirements.

Funding requirements and available financial resources

As described in the section headed "Reasons for the Rights Issue", the Group's restaurant development programme covers ten premises, including two restaurants with opening dates in September and November 2026 and eight further restaurants scheduled to open between December 2026 and March 2027. The programme requires expenditure on fitting-out works, kitchen equipment and furniture, deposits and other premises-related costs, pre-opening activities and initial operating funding. Such expenditure arises in addition to the working capital requirements of the Group's existing business.

At the Subscription Price of HK$0.33, the Rights Issue will raise gross proceeds of up to approximately HK$55.2 million, assuming full subscription. The net proceeds are intended to address the Group's identified funding requirements through the allocation of approximately 20% to general working capital and approximately 80% to restaurant development and related initial operating requirements, as detailed in the section headed "Intended use of proceeds".

The Rights Issue will provide equity capital which does not carry contractual interest payments or a repayment maturity. Having considered the financing alternatives described in the section headed "Fund-raising alternatives", the Board considers that reliance solely on internal resources or uncertain future operating cash inflows would not provide an adequate basis for financing the proposed development programme.

Incentive for public Shareholders to participate

The Subscription Price of HK$0.33 represents a discount of 30.53% to the closing price of HK$0.475 per Share on the Last Trading Day. The Board considers that offering Rights Shares at a discount makes participation more attractive to Qualifying Shareholders, including public Shareholders, than an offer at or close to the prevailing market price, particularly given the downward Share price trend and the non-underwritten nature of the Rights Issue.

Under the proposed three-for-one Rights Issue, a Qualifying Shareholder would be required to pay HK$0.99 for the three Rights Shares provisionally allotted for each existing Share held. Compared with an offer at a higher subscription price on the same entitlement basis, the discounted Subscription Price reduces the cash outlay required to take up the entitlement. The Board considers that this may facilitate participation by public Shareholders and provide an additional incentive for them to maintain their proportionate shareholdings.

Assessment of dilution and the interests of Shareholders

The Board acknowledges that the Rights Issue involves a substantial issue of new Shares relative to the existing issued share capital and a significant theoretical dilution effect of approximately 22.89%, calculated in accordance with Rule 10.44A of the GEM Listing Rules.

Assuming full subscription, a Shareholder who does not take up any entitlement and does not otherwise acquire or dispose of Shares would retain only one quarter of its previous percentage shareholding, representing a 75% reduction in that percentage shareholding. This ownership dilution is distinct from the theoretical value dilution calculated under Rule 10.44A of the GEM Listing Rules.

Unlike a placing solely to selected investors, the Rights Issue gives all Qualifying Shareholders the opportunity to participate on the same terms in proportion to their existing holdings. Subject to the scaling-down arrangements described in this announcement, Qualifying Shareholders taking up their entitlements in full will be able to maintain their proportionate shareholdings. Qualifying Shareholders who do not wish to subscribe may seek to sell their nil-paid Rights Shares during the trading period, although there is no assurance that an active market will develop or that the proceeds of sale will fully compensate for dilution.

The Board has weighed these potential adverse effects against the Group's quantified funding requirement, the scheduled deployment of funds and the financing alternatives available to the Group. The Board considers that a higher Subscription Price could reduce the attractiveness of the Rights Issue and increase the risk of a funding shortfall. Conversely, reducing the number of Rights Shares at the same Subscription Price would reduce the maximum proceeds available to meet the Group's funding requirements, while delaying the fundraising could adversely affect its ability to meet scheduled expenditure and implement the restaurant development programme.

On balance, and subject to compliance with Rule 10.44A of the GEM Listing Rules, the Board (excluding the independent non-executive Directors) considers that the Subscription Price of HK$0.33 strikes a reasonable balance between raising funds for the Group's identified requirements and encouraging participation by Qualifying Shareholders. The Board's assessment is not based solely on the theoretical dilution being below the applicable regulatory threshold, but also on the commercial need for the funds, the proposed application of the proceeds and the opportunity afforded to Qualifying Shareholders to participate on a proportionate basis.

The Board (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) considers, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, that the terms of the Rights issue, including the Subscription Price are fair and reasonable and in the interest of the Company and the Shareholders as a whole, after taking into account the following factors:

(i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market;

(ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and

(iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount to the recent closing price.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date and the Rights Shares are fully subscribed) after deducting the related expenses of the Rights Issue will be approximately HK$0.3274.

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

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully-paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. 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, investor compensation levy or any other applicable fees and charges in Hong Kong.

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 a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:00 p.m. (Hong Kong time) on Thursday, 7 January 2027.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 5 January 2027, and the Shares will be dealt with on an ex-rights basis from Wednesday, 6 January 2027.

Qualifying Shareholders who take up their pro-rata entitlements in full under the Rights Issue will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Subject to 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 Non-Qualifying Shareholders for their information only.

Closure of register of members

The register of members of the Company will be closed from Monday, 28 December 2026 to Monday, 4 January 2027 (both dates inclusive) for the purpose of determining the Shareholders' entitlements to attend and vote at the EGM. During the aforementioned period, no transfer of Shares will be registered.

The register of members of the Company will be closed from Friday, 8 January 2027 to Thursday, 14 January 2027 (both dates inclusive) for the purpose of determining the Shareholders' entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Share in issue and held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Non-Qualifying Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PAL to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will comply with Rule 17.41(1) of the GEM Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries and based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

According to the register of members of the Company as of the date of this announcement, the Company has no Overseas Shareholders.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of not less than HK$100 will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK$100 for its own benefit.

Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying 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 NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

For the Rights Shares in nil-paid form that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares and NQS Unsold Rights Shares will be subject to the Compensatory Arrangements.

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, Non-Qualifying Shareholders should exercise caution when dealing in the Shares.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

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

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action 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 Thursday, 11 February 2027, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price can be obtained. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Details of the Placing Arrangement is set out in the section headed "Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares" in this announcement.

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

A: the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

B: the relevant Non-Qualifying Shareholders with 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 "A" and "B" of 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 are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

Placing arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares

On 24 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 independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date:	24 November 2026 (after trading hours)
Issuer:	the Company
Placing Agent:	Tiger Faith 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 place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis. To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Fees and expenses:	The commission payable to the Placing Agent shall be 0.8% of the aggregate amount which is equal to the placing price multiplied by the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares that have been successfully placed by the Placing Agent. The Company will pay all out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the placing (excluding legal and other professional fees and expenses) which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion subject to such prior written approval from the Company.
Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case may be):	The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case may be) shall be at least equal to the Subscription Price or more (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or AFRC transaction levy as may be payable).

Placing Period:	The period from 1 February 2027 to 11 February 2027 (both dates inclusive), or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Placees:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who and whose ultimate beneficial owner(s) (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company or any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates; and (ii) shall 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. The Company and the Placing Agent will ensure that the allocation of the Unsubscribed Rights Shares and NQS Unsold Rights Shares will not result in non-compliance with the Public Float Requirement immediately upon completion of the placing and the Rights Issue. In determining the public float upon completion, only Shares held by persons qualifying as members of the public under the GEM Listing Rules will be counted.
Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of this announcement.
Termination:	Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or would reasonably be expected to have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or would materially prejudice the success of the placing or full placement of all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

(a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the placing; or

(b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally across the entire Stock Exchange (excluding, for the avoidance of doubt, any brief suspension or clearance window in trading of the Company's own shares for the purposes of clearing any announcements or circulars related to this placing or the Rights Issue) occurring due to exceptional financial circumstances and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the placing; or

(c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or the success of the placing; or

(d) any litigation or claim being instigated against any member of the Group or its senior management, which has or would reasonably be expected to have a material adverse effect on the business or financial position of the Group and which in the Placing Agent' s reasonable opinion would materially and adversely affect the success of the placing; or

(e) any breach of any of the representations and warranties comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion of the Rights Issue which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent, acting in good faith and having regard to objective market indicators, would materially and adversely affect the placing.

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:

(i) the Increase in Authorised Share Capital having become effective;

(ii) the GEM Listing Committee having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions);

(iii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Increase In Authorised Share Capital, the Rights Issue and the respective transactions contemplated thereunder;

(iv) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(v) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

Save for condition (iv) which may be mutually waived by the Company and the Placing Agent in writing, none of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the placing shall cease and determine and none of the parties shall have any claim against the other in respect of the placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (including the commission fee payable) was determined after arm's length negotiations between the Placing Agent and the Company, with reference to the size of the Rights Issue and the prevailing market rate of commission. Accordingly, the Directors consider that the terms of the Placing Agreement, including the commission, are (i) on normal commercial terms or better, (ii) fair and reasonable and (iii) in the interest of the Company and its Shareholders as a whole.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders, the Company considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interests of the Company's minority Shareholders.

No fractional entitlements to the Rights Shares

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

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

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Friday, 19 February 2027 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Rights Issue does not become unconditional, refund cheques will be despatched on or before Friday, 19 February 2027 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Odd lot arrangement

In order to facilitate the trading of odd lots (if any) of the Shares, the Company will appoint Tiger Faith Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement is recommended to consult his/her/its own professional advisers. Further details in respect of the odd lots trading arrangement will be set out in the Prospectus.

Application for the Rights Shares

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 by completing such form and lodging the same with a remittance for the Rights Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing of the Rights Shares

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

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Stamp duty and other applicable fees

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

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.

Taxation

Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Conditions of the Rights Issue

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

(i) the Increase in Authorised Share Capital having become effective;

(ii) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Increase In Authorised Share Capital, the Rights Issue, the Placing Agreement 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;

(iii) the GEM Listing Committee granting and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms and such listing and permission to deal not having been withdrawn or revoked;

(iv) the electronic submission to the Stock Exchange for authorisation and the filing and registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;

(v) following registration, the Prospectus Documents be made available and/or sent (as the case may be) to the Qualifying Shareholders (and, where applicable, to the Non-Qualifying Shareholder(s), if any, for information purpose only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date;

(vi) the Company having complied with the requirements under all applicable laws and regulations; and

(vii) the Placing Agreement not being terminated pursuant to the terms thereof and remaining in full force and effect.

None of the above conditions can be waived. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. If any of the conditions above is not fulfilled, the Rights Issue will not proceed. As at the date of this announcement, none of the above conditions has been fulfilled.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

Reasons for the Rights Issue

The business development strategy

The Company is an investment holding company and its subsidiaries are principally engaged in restaurant operations in Hong Kong. The Group is pursuing a strategy of diversifying its restaurant portfolio through the development of Asian-style and café, congee and noodle-style restaurants, while retaining its existing Western-style restaurant under the "Classified" brand. This strategy is intended to broaden the Group's customer base, increase its presence in different local communities and reduce its reliance on any single dining concept.

As disclosed in the Company's annual report for the fifteen months ended 31 March 2026, the Group experienced a challenging operating environment characterised by pressure from food, rental, utilities and labour costs, together with increasingly budget-conscious customers and changes in dining and spending patterns. In response, the Group reviewed its restaurant portfolio and implemented measures including the closure of underperforming restaurants upon expiry of their tenancies, staff cost control, restructuring of food supply arrangements and the development of additional restaurant brands.

During the fifteen months ended 31 March 2026, the Group closed three "Classified" restaurants and two "Rise by Classified" restaurants upon expiry of their respective tenancy agreements principally due to concerns regarding their profitability. The expiry of the relevant tenancies provided an opportunity for the Group to discontinue the underperforming outlets without renewing their tenancy commitments. These closures reflected the Group's assessment of the commercial viability of the individual outlets, rather than an intention to exit its Western-style restaurant business. During the same period, the Group introduced two restaurant brands, namely "Jasmine Harbour", which commenced operations in Tuen Mun in August 2025, and "THAC Café", which commenced operations in Yau Tong in March 2026. As at 31 March 2026, the Group operated three restaurants, comprising one restaurant under each of "Classified" in Repulse Bay, "Jasmine Harbour" in Tuen Mun and "THAC Café" in Yau Tong. These developments marked a broadening of the Group's operations from its previous focus on Western-style cafés to a restaurant portfolio encompassing both Western and Chinese dining concepts.

On an individual restaurant basis, the "Classified" restaurant in Repulse Bay recorded revenue of approximately HK$12.5 million and a loss of approximately HK$0.3 million for the year ended 31 December 2024, and revenue of approximately HK$15.0 million and a loss of approximately HK$1.0 million for the fifteen months ended 31 March 2026.

For the fifteen months ended 31 March 2026, the Chinese restaurant operation segment generated revenue of approximately HK$33.6 million and segment profit of approximately HK$3.9 million, while the Western restaurant operation segment recorded revenue of approximately HK$48.7 million and segment loss of approximately HK$7.6 million. Segment results exclude certain income, gains and losses and unallocated operating costs, and the Group as a whole remained loss-making, with a loss attributable to owners of approximately HK$7.0 million for that period. Nevertheless, the positive contribution from the Chinese restaurant operation segment provided

the Board with a commercial basis for pursuing further development of the Group's Asian and local café dining concepts. Such historical performance does not constitute an assurance that the proposed restaurants will achieve similar results.

Development of new restaurants

The Group intends to develop two complementary restaurant formats to cater for different dining occasions and customer preferences. The Group expects to develop the new restaurants under the brands "THAC Café", "Wah Lok" and "Jasmine Harbour". The brand and dining concept for each outlet will be determined with reference to the premises, the surrounding customer base and the intended menu and price positioning.

"THAC Café" and "Wah Lok" are café, congee and noodle-style restaurant brands offering Hong Kong-style comfort food, including congee, noodles, café-style dishes, tea sets and all-day set meals, catering to customers with different budgets. "Jasmine Harbour" is an Asian-style restaurant brand offering Cantonese cuisine, including dim sum, roasted meats *(siu mei)* and seafood, targeting individual customers, families and group dining occasions.

The Asian-style restaurant format is intended to provide a broader selection of Asian dishes suitable for individual customers, families and group dining. In developing this format, the Group intends to draw on its experience in operating its existing Chinese restaurant business, including menu development, kitchen operations, procurement and customer service, while adapting the cuisine mix and dining environment to the characteristics of each location.

The café, congee and noodle-style restaurant format is intended to focus on convenient, value-oriented everyday dining. The proposed menus will centre on familiar local dishes, including congee, noodles and café-style meals, with dine-in and takeaway options. This direction builds on the Group's experience with "THAC Café", which offers Hong Kong-style comfort food, tea sets and all-day set meals catering to different customer budgets.

The Board considers that these complementary formats would allow the Group to address a wider range of customer needs, from everyday meals to family and social dining. In particular, the proposed premises in residential estates and neighbourhood shopping centres are intended to bring the Group's offerings closer to the communities they serve and encourage repeat patronage. The restaurant concept, menu, pricing and operating arrangements for each outlet will be determined with reference to its location, premises size, surrounding customer base and operating costs.

While the Group's planned expansion is focused on Asian-style and café, congee and noodle-style restaurants, the Group has no intention to cease or exit its existing Western-style restaurant business. The Group intends to retain and continue operating its existing Western-style "Classified" restaurant in Repulse Bay. The development of the new restaurant formats is intended to complement, rather than replace, the Group's Western dining offering.

In addition to retaining the Repulse Bay restaurant, the Group intends to open two new Western-style restaurants in 2027. The Group has already commenced identifying and assessing suitable locations for the development of the Group's Western-style dining business. In evaluating potential premises, the Group will consider the anticipated customer demand, rental terms, establishment costs and projected operating performance.

"Classified" provides a differentiated casual European café concept, including artisan breads, cheeses, boutique wines, breakfast and all-day dining. Maintaining this offering would enable the Group to continue serving customers who prefer Western-style dining while broadening its overall restaurant portfolio through the additional concepts.

Implementation of the new restaurants

Following 31 March 2026, the Group has continued to implement its restaurant development strategy through the six premises described under "Intended use of proceeds" below. These comprise three café, congee and noodle-style restaurants at Ching Tao Shopping Centre, Shop No. 08 at Cheung Tung @ Chill Walk and Yan Po Road in Tuen Mun, and three Asian-style restaurants at Shop No. 07 at Cheung Tung @ Chill Walk, Hoi Lai Shopping Centre and Mandarin Plaza.

The restaurants at Ching Tao Shopping Centre and Shop No. 08 at Cheung Tung @ Chill Walk commenced operations on 20 September 2026 and 12 November 2026, respectively. The remaining four restaurants are scheduled to open between December 2026 and March 2027, subject to completion of fitting-out works, the necessary licensing arrangements and other operational preparations.

The Group's operational development therefore involves both the management of recently opened outlets and the preparation of further restaurants for commencement of business. Funding is required not only for fitting-out works and equipment purchases, but also for outstanding establishment costs, recruitment and training, pre-opening activities and the initial operating requirements of the relevant restaurants.

In addition to the six restaurants described above, the Group plans to enter into tenancy agreements for another four restaurant premises in Sham Shui Po, Kowloon City, Yuen Long and Sai Kung, with a view to commencing operations during the first quarter of 2027. These proposed outlets form part of the Group's continued expansion of its community-focused restaurant network. Their respective dining concepts will be finalised with reference to the characteristics of the premises and the needs of the surrounding customer base.

Based on the current development timetable, the four additional restaurants are targeted to open in March 2027. Their establishment remains subject to finalisation and execution of the relevant tenancy agreements, availability of funding, handover of the premises, completion of fitting-out works, obtaining the necessary licences and recruitment of staff.

Funding requirements of the Group

As disclosed in the Company's annual report for the fifteen months ended 31 March 2026, the Group had bank balances and cash of approximately HK$4.0 million and net current liabilities of approximately HK$16.0 million as at 31 March 2026. The Group needs to maintain sufficient liquidity to meet staff remuneration, rental payments, purchases of food and other supplies, and corporate expenses while implementing its expansion plans. Accordingly, the Board considers that reliance solely on internal resources and future operating cash inflows would constrain the Group's ability to fund both its ongoing operations and the planned restaurant development programme.

The Board considers that the development and opening of the new restaurants will enable the Group to expand its restaurant portfolio across different districts in Hong Kong. The Board believes that the expansion of the Group's restaurant network is in line with the Group's business development strategy and is expected to create additional revenue-generating opportunities for the Group. The establishment of the new restaurants will require substantial upfront capital expenditure and working capital.

The Group's funding requirements are heightened by the timing of its restaurant openings, with eight further restaurants, including the four proposed additional outlets, scheduled to commence operations between December 2026 and March 2027. The establishment of these restaurants requires expenditure on fitting-out works, equipment, deposits, recruitment, training and other pre-opening activities before the relevant outlets generate operating receipts. Following opening, funding is also required to meet operating expenses while the restaurants build their customer base, and there is no assurance that their initial operating receipts will be sufficient to cover those expenses. For restaurants opened before completion of the Rights Issue, the proposed application of proceeds will take account of expenditure remaining payable when the proceeds become available, rather than amounts already settled. The Rights Issue is therefore intended to provide additional equity funding for the purposes specified below, reduce pressure on the Group's working capital and support the implementation of its development programme without introducing additional contractual interest payments or repayment obligations.

The Board considers that the Rights Issue represents an appropriate fundraising method for the Company, as it will strengthen the Group's capital base and financial resources while providing the Qualifying Shareholders with an opportunity to participate in the future development of the Group and to maintain their respective proportional shareholding interests in the Company by subscribing for the Rights Shares.

Intended use of proceeds

Assuming full subscription under the Rights Issue, the estimated net proceeds from the Rights Issue, after deducting the related expenses, will be approximately HK$54.8 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

(i) approximately 20% of the net proceeds, or approximately HK$11.0 million, will be used for the Group's general working capital, to support its existing restaurant operations and corporate functions. The proposed expenditure comprises:

    (a) staff remuneration and related expenses, including salaries, wages, mandatory provident fund contributions and other employment-related expenses;

    (b) rental and premises-related expenses, including rental payments, rates and other occupancy expenses;

    (c) professional fees and administrative expenses, including audit, company secretarial and other professional fees; and

    (d) other recurring operating expenses, including utilities, repairs and maintenance, and other costs incurred in the ordinary course of the Group's existing business.

The Group expects to utilise this portion of the net proceeds progressively following completion of the Rights Issue and fully by 31 December 2027.

(ii) approximately 80% of the net proceeds, or approximately HK$43.8 million, will be used for the development of the Group's new restaurants during the year.

During 2026, the Group entered into tenancy agreements for six restaurant premises in Hong Kong, comprising:

Restaurant premises	**Intended restaurant concept**	**Gross area (sq. ft.)**	**Actual/expected opening date**
Shop No. 103, 1/F, Ching Tao Shopping Centre, Ching Tao Court, New Territories	Café, congee and noodle-style restaurant	2,756	20 September 2026
Shop No. 08, Cheung Tung @ Chill Walk, Cheung Tung Estate, Tung Chung, New Territories	Café, congee and noodle-style restaurant	1,884	12 November 2026
Shop No. G09, Block 2, No. 12 Yan Po Road, Tuen Mun, Hong Kong	Café, congee and noodle-style restaurant	1,776	December 2026
Shop No. 07, Cheung Tung @ Chill Walk, Cheung Tung Estate, Tung Chung, together with Advertising Light Box No. B1	Asian-style restaurant	7,718	February 2027
Shop No. 105, 1/F, Hoi Lai Shopping Centre, Hoi Lai Estate, Sham Shui Po	Asian-style restaurant	11,485	March 2027
Shops Nos. 01A–01C and 01F–01H, Retail Portions of the Ground Floor of Commercial Podium, Mandarin Plaza, No. 14 Science Museum Road, Kowloon	Asian-style restaurant	4,260	January 2027

The development of these restaurants forms part of the Group's strategy to expand its restaurant network across different districts in Hong Kong, broaden its customer reach and strengthen its revenue base. The proceeds allocated to this purpose will support the establishment of the new outlets and their initial operating requirements, rather than solely the acquisition of restaurant equipment or completion of fitting-out works.

In particular, this portion of the net proceeds is intended to be applied as follows:

Intended application		Scope of expenditure	Approximate allocation *(HK$ million)*	Approximate percentage of total net proceeds
(a)	**Renovation and fitting-out works**	Interior design, building services installations, kitchen and dining area fitting-out, ventilation and exhaust systems, plumbing and drainage works, fire safety installations and signage.	21.9	40.00%
(b)	**Restaurant equipment, furniture and operating systems**	Kitchen appliances, refrigeration equipment, cooking utensils, tables and chairs, tableware and point-of-sale systems.	11.0	20.00%
(c)	**Deposits and other premises-related establishment costs**	Rental and utilities deposits and other amounts payable in connection with taking possession of and preparing the premises for restaurant operations, to the extent remaining payable after completion of the Rights Issue.	2.7	5.00%
(d)	**Pre-opening expenses**	Licensing and related professional fees, recruitment and staff training, menu preparation, initial purchases of food and beverages, and launch publicity and promotional activities.	2.7	5.00%
(e)	**Initial operating funding**	Staff costs, rental payments, utilities and procurement expenditure during the initial operating period of approximately three months for each relevant restaurant.	5.5	10.00%
Total allocated to the six restaurants			**43.8**	**80.0%**

The proposed allocations have been determined with reference to the estimated establishment requirements of the six restaurant premises, taking into account their respective sizes, existing condition and intended restaurant concepts. The allocation to each category will reflect the relevant restaurants' expenditure budgets, contractual payment schedules and amounts remaining to be funded when the net proceeds become available. Expenditure allocated under this paragraph (ii) will not also be included in the general working capital allocation under paragraph (i).

The Group expects to fully utilise the net proceeds allocated to new restaurant development by 30 June 2027.

In the event of undersubscription of the Rights Issue, proceeds actually raised shall be allocated pro-rata among the above-stated intended purposes. The Company will, where appropriate, make further announcement(s) on the utilisation of the net proceeds in accordance with the requirements of the GEM Listing Rules.

Fund-raising alternatives

Apart from the Rights Issue, the Board (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, bank borrowing, placing of new shares and open offer. The Board (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) is of the view that debt financing and bank borrowings would increase the gearing ratio of the Group. Furthermore, given the prevailing high interest rate environment, debt financing would increase the ongoing interest expenses of the Group, which could adversely affect its profitability. In addition, debt financing and bank borrowings may not be achievable on favourable terms or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. Hence, the Board (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) does not consider it to be beneficial to the Company. As for placing of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company and it is relatively smaller in scale as compared to fund raising through rights issue. As for open offer, while it is similar to a rights issue, offering Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. As opposed to open offer, Rights Issue would allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company and dealing with the Shares.

Having considered all the other fund-raising alternatives, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) are of the view that the terms of Rights Issue are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole, and that it is an appropriate fund-raising method to strengthen the capital base of the Company and support the Company's continuing business development and growth.

As at the date of this announcement, save as disclosed in this announcement, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities; and (ii) has no other plan or intention to carry out any future corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Rights Issue.

EXPECTED TIMETABLE FOR THE INCREASE IN AUTHORISED SHARE CAPITAL AND THE RIGHTS ISSUE

Set out below is the expected timetable for the Increase In Authorised Share Capital and the Rights Issue, which is subject to the results of the EGM and has been prepared on the assumption that all the conditions to the Increase In Authorised Share Capital and the Rights Issue, will be fulfilled, and is therefore for indicative purpose 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:

Events	**Timeline**
Date of this announcement	Tuesday, 24 November 2026
Expected date of dispatch of the Circular together with the notice of the EGM and proxy form for the EGM	Friday, 18 December 2026
Latest time for lodging transfer of Shares in order to qualify for attending and voting at the EGM	4:00 p.m. on Thursday, 24 December 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Monday, 28 December 2026 to Monday, 4 January 2027
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Saturday, 2 January 2027
Record date for attendance and voting at the EGM	Monday, 4 January 2027
Expected Date and time of the EGM	**11:00 a.m. Monday, 4 January 2027**
Announcement of the poll results of the EGM	Monday, 4 January 2027

Events	Timeline
Effective date of the Increase in Authorised Share Capital	Monday, 4 January 2027
Register of members of the Company re-opens	Tuesday, 5 January 2027
Last day of dealings in the Shares on a cum-rights basis	Tuesday, 5 January 2027
First day of dealings in the Shares on an ex-rights basis	Wednesday, 6 January 2027
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:00 p.m. on Thursday, 7 January 2027
Register of members of the Company closes for determining entitlements to the Rights Issue (both days inclusive)	Friday, 8 January 2027 to Thursday, 14 January 2027
Record Date for determining entitlements to the Rights Issue	Thursday, 14 January 2027
Register of members of the Company re-opens	Friday, 15 January 2027
Despatch of the Prospectus Documents to the Qualifying Shareholders (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Friday, 15 January 2027
First day of dealings in nil-paid Rights Shares	Tuesday, 19 January 2027
Latest time for splitting of the PAL(s)	4:30 p.m. on Thursday, 21 January 2027
Last day of dealings in nil-paid Rights Shares	Tuesday, 26 January 2027
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Tuesday, 26 January 2027
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Friday, 29 January 2027
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Monday, 1 February 2027
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Monday, 1 February 2027

Events	Timeline
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Thursday, 11 February 2027
Latest Time for termination of the Placing Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 11 February 2027
Rights Issue Settlement Date and Placing Completion Date	Wednesday, 17 February 2027
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent and the amount of the Net Gain per Rights Share under the Compensatory Arrangements)	Thursday, 18 February 2027
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any	Friday, 19 February 2027
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Monday, 22 February 2027
Payment of Net Gain to relevant No Action Shareholders (if any)	Thursday, 4 March 2027

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

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

The Latest Time for Acceptance of and payment for Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning or "extreme conditions" is announced by the Government of Hong Kong:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 29 January 2027. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 29 January 2027. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on Friday, 29 January 2027, the dates mentioned in the section headed "EXPECTED TIMETABLE FOR THE INCREASE IN AUTHORISED SHARE CAPITAL AND THE RIGHTS ISSUE" 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.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the number of Shares in issue from the date of this announcement and up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	As at the date of this announcement		**Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by existing Shareholders**		**Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than THAC Group (BVI) Limited who will take up the Rights Shares in accordance with the terms of the Irrevocable Undertaking and all the remaining Unsubscribed Rights Shares and NQS Unsold Rights Shares having been placed**		**Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than THAC Group (BVI) Limited who will take up the Rights Shares in accordance with the terms of the Irrevocable Undertaking and none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed by the Placing Agent**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Shareholders								
THAC Group (BVI) Limited *(Note 1)*	39,291,625	70.48%	157,166,500	70.48%	157,166,500	70.48%	49,375,125	75.00% *(Note 2)*
Public Shareholders								
The Placees	–	–	–	–	49,375,125	22.14%	–	–
Other public Shareholders	16,458,375	29.52%	65,833,500	29.52%	16,458,375	7.38%	16,458,375	25.00%
Total	55,750,000	100.00%	223,000,000	100.00%	223,000,000	100.00%	65,833,500	100.00%

Notes:

1. THAC Group (BVI) Limited is directly and beneficially owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, an executive director of the Company, Mr. Chan Benson, an executive director of the Company Ms. Ho Helen Kayee, an executive director of the Company, Mr. Wong Kin Man and Ms. Kwok Li Fa Eva, respectively.

2. In the scenario where none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares is successfully placed by the Placing Agent, the application by THAC Group (BVI) Limited for its provisional entitlement under the Rights Issue will be scaled down to the extent necessary to ensure compliance with the Public Float Requirement immediately upon completion of the Rights Issue. On the basis of the assumptions set out in the table above, THAC Group (BVI) Limited will be allotted and issued 10,083,500 Rights Shares and will hold an aggregate of 49,375,125 Shares, representing 75.00% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

The Company will monitor the level of acceptances under the Rights Issue and the allocation of the Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Placing Arrangement. The Company will apply the scaling-down arrangements described in this announcement, where necessary, to ensure compliance with the Public Float Requirement immediately upon completion of the Rights Issue. The Company is required to comply with the ongoing public float requirements under Rule 17.37B of the GEM Listing Rules at all times.

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 Shares. Further announcements will be made by the Company in accordance with the GEM Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

GEM LISTING RULES IMPLICATIONS

The Increase in Authorised Share Capital

The Increase in Authorised Share Capital is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM approving the proposed Increase In Authorised Share Capital.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Increase In Authorised Share Capital, no Shareholder would be required to abstain from voting in favour of the resolutions relating to the Increase In Authorised Share Capital at the EGM.

The Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue must be made conditional on approval by the Independent Shareholders at the EGM, and any controlling shareholders of the Company 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 proposed Rights Issue.

As at the date of this announcement, the Company has one controlling Shareholder, THAC Group (BVI) Limited, which directly holds 39,291,625 Shares, representing 70.48% of the issued share capital of the Company. THAC Group (BVI) Limited is wholly owned as to 53%, 27%, 10%, 7% and 3% by Mr. Kwok Chun Kwan, an executive director of the Company, Mr. Chan Benson, an executive director of the Company Ms. Ho Helen Kayee, an executive director of the Company, Mr. Wong Kin Man and Ms. Kwok Li Fa Eva, respectively. Therefore, THAC Group (BVI)

Limited, Mr. Kwok Chun Kwan, Mr. Chan Benson, Ms. Ho Helen Kayee, Mr. Wong Kin Man, Ms. Kwok Li Fa Eva and their associates (as defined in the GEM Listing Rules) shall abstain from voting in favour of the proposed Rights Issue at the EGM in accordance with Rule 10.29(1) of the GEM Listing Rules. Save as the above disclosure, no Shareholders and Directors are required to abstain from voting in favour of the proposed resolution approving the Rights Issue and the transaction contemplated thereunder at the EGM.

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

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wong Ho Shing Samson, Ms. Chan Sheung Yu Iris and Mr. Lau Kelly, to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the independent financial adviser.

In this connection, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder, and as to voting.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase In Authorised Share Capital and the Rights Issue. A circular containing, among other things, (i) further details of the Increase in Authorised Share Capital; (ii) further details of the Rights Issue and the Placing Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue and the transactions contemplated thereunder; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before Friday, 18 December 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

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

Shareholders and potential investors of the Company should note that the Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the GEM Listing Committee of 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.

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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers. The Company will make further announcement(s) with regard to the status of the abovementioned transactions as and when appropriate pursuant to the requirements under the GEM Listing Rules.

DEFINITIONS

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

"acting in concert"	has the same meaning ascribed to it under the Takeovers Code
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"associate(s)"	has the same meaning ascribed to it under the GEM Listing Rules
"Board"	the board of directors of the Company

"Business Day(s)"	means a day (other than a Saturday and a day on which "extreme conditions" is announced by the Government of Hong Kong or a tropical cyclone warning no. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies Act"	the Companies Act, Cap. 22 (As Revised), of the Cayman Islands as consolidated and revised
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
"Company"	THAC Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8232)
"Compensatory Arrangements"	the compensatory arrangements pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed "Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" in this announcement
"connected person(s)"	has the meaning ascribed to it in the GEM Listing Rules
"controlling shareholder(s)"	has the same meaning ascribed to it under the GEM Listing Rules
"Director"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	has the same meaning ascribed to it under the GEM Listing Rules

"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Increase in Authorised Share Capital"	an increase in the authorised share capital of the Company from HK$40,000,000 divided into 200,000,000 Shares to HK$200,000,000 divided into 1,000,000,000 Shares by creating an additional 800,000,000 unissued Shares
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the GEM Listing Rules to advise the Independent Shareholders in respect of 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)"	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)
"Last Trading Day"	24 November 2026, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
"Latest Time for Acceptance"	4:00 p.m. on Friday, 29 January 2027 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
"Latest Time for Termination"	4:00 p.m. on Thursday, 11 February 2027 or such later time or date for the termination of the Placing Agreement
"Net Gain"	any premiums paid by the independent placee(s) over the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements

"Nil-Paid Rights"	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
"No Action Shareholders"	the Qualifying Shareholders who do not subscribe for the Rights Shares under the PAL(s) or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed (including the Non-Qualifying Shareholder in respect of NQS Unsold Rights Shares)
"Non-Qualifying Shareholder(s)" or "NQS"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue 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
"NQS Unsold Rights Shares"	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placing Agent"	Tiger Faith Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO
"Placing Agreement"	the placing agreement dated 24 November 2026 entered into between the Company and the Placing Agent in respect of the Placing Arrangement
"Placing Arrangement"	arrangement contemplated under the Placing Agreement
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	collectively, the Prospectus and PAL

"Prospectus Posting Date"	Friday, 15 January 2027 or such other date as may be agreed by the Company, being the expected date the Prospectus Documents will be made available and/or sent (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
"Public Float Requirement"	the requirement under Rule 17.37B of the GEM Listing Rules applicable to the Company to maintain at least 25% of the total number of issued Shares (excluding treasury shares, if any) in public hands at all times
"Qualifying Shareholder(s)"	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
"Record Date"	Thursday, 14 January 2027 or such other date as may be determined by the Company, being the date by reference to which the Shareholders' entitlements to the Rights Issue are to be determined
"Registrar"	Union Registrars Limited, the Hong Kong branch share registrar and transfer office of the Company
"Rights Issue"	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price pursuant to the Prospectus Documents
"Rights Share(s)"	up to 167,250,000 Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders pursuant to the Rights Issue, assuming no change in the number of Shares in issue on or before the Record Date
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.20 each in the share capital of the Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.33 per Rights Share
"substantial shareholder"	has the meaning ascribed to it under the GEM Listing Rules

"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders or renouncee(s) or transferee(s) of the nil-paid Rights under PAL(s)
"%"	per cent.

By the Order of the Board
THAC Group (Holdings) Limited
KWOK Chun Kwan
Chairman and Executive Director

Hong Kong, 24 November 2026

As at the date of this announcement, the executive directors of the Company are Mr. KWOK Chun Kwan, Mr. CHAN Benson and Ms. HO Helen Kayee and the independent non-executive directors of the Company are Mr. WONG Ho Shing Samson, Ms. CHAN Sheung Yu Iris and Mr. LAU Kelly.

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

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company's website at www.classifiedgroup.com.hk.