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**C CHENG HOLDINGS LIMITED**  
**思城控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1486)**

**(I) CANCELLATION OF SHARE OPTIONS;  
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
ONE (1) RIGHTS SHARE FOR EVERY TWO  
(2) EXISTING SHARES HELD ON THE RECORD DATE  
ON A NON-UNDERWRITTEN BASIS; AND  
(III) CHANGE IN BOARD LOT SIZE**

**Financial Adviser**



**Placing Agent**



**CANCELLATION OF SHARE OPTIONS**

The Board has approved and with consent of the relevant grantees to cancel 22,100,000 outstanding share options with effect from 29 April 2025 in accordance with the terms of the Share Option Scheme.

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise gross proceeds of up to approximately HK\$14.4 million before expenses, by way of Rights Issue, by issuing up to 144,130,390 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date and all the Rights Shares will be taken up) at the Subscription Price of HK\$0.10 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

The net proceeds from Rights Issue are estimated to be not more than approximately HK\$13.8 million (assuming no further issue or repurchase of Shares on or before the Record Date and all the Rights Shares will be taken up). The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$4.1 million, representing 30.0% of the net proceeds, will be used for development and strengthening the Group's existing business in MENA region by recruitment of skilled professionals in delivering high-quality projects while also hiring business development and marketing experts; (ii) approximately HK\$4.1 million, representing 30.0% of the net proceeds, will be used to enhance the Group's information technology infrastructure through the development of digital platform with artificial intelligence technology for its existing business; and (iii) approximately HK\$5.6 million, representing 40.0% of the net proceeds, will be used for general working capital of the Group.

### **Placing Agreement**

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 29 April 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights to independent Placees on a best effort basis.

## **CHANGE IN BOARD LOT SIZE**

The Board proposes the Change in Board Lot Size from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Friday, 23 May 2025.

## **LISTING RULES IMPLICATIONS**

As the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 month period immediately preceding the announcement of the proposed Rights Issue or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Company will make available the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on Wednesday, 21 May 2025. The Company will make available the Prospectus (without the PAL(s)) to the Excluded Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

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

The Shares will be dealt on an ex-rights basis from Monday, 12 May 2025. Dealings in the nil-paid Rights Shares in the new board lots of 10,000 Shares are expected to take place from Friday, 23 May 2025 to Friday, 30 May 2025 (both days inclusive). If the conditions of the Rights Issue (please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement) are not fulfilled, the Rights Issue will not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

## **CANCELLATION OF SHARE OPTIONS**

References are made to the announcements of the Company dated 1 November 2018 and 23 December 2020 in relation to the grant of share options (the “**Share Options**”) to subscribe for the ordinary shares of HK\$0.01 each in the share capital of the Company in accordance with the share option scheme adopted by the Company on 5 December 2013 (the “**Share Option Scheme**”).

As approved by the Board (including the approval of the independent non-executive Directors) and with the consent of the relevant grantees, all the following 22,100,000 outstanding share options (the “**Cancelled Share Options**”) granted to Directors, senior management and certain employees of the Company were cancelled with effect from 29 April 2025 (the “**Cancellation of Share Options**”) in accordance with the terms of the Share Option Scheme:

Name/Category of grantees	Position held with the Company	Date of grant	Exercise price (HK\$)	Number of share options cancelled
Mr. Liang Ronald	Executive Director and chairman	1 November 2018	2.334	3,500,000
		23 December 2020	0.88	<u>5,000,000</u>
				8,500,000
Mr. Fu Chin Shing	Executive Director and chief executive officer	1 November 2018	2.334	2,800,000
		23 December 2020	0.88	<u>3,500,000</u>
				6,300,000
Mr. Wang Jun You	Executive Director	23 December 2020	0.88	2,800,000
Senior management and other employees		23 December 2020	0.88	<u>4,500,000</u>
Total				<u><u>22,100,000</u></u>

In view of the recent performance of the share price of the Shares and the exercise prices of all the Cancelled Share Options are much higher than the recent market prices of the Shares, the Board considered that the Cancelled Share Options no longer serves the purpose of providing incentives or rewards to the grantee for contribution to the Group.

As at the date of this announcement, after the cancellation, there are no outstanding share options granted.

## PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue, details of which are summarised below:

### Issue statistics

Basis of the Rights Issue:	One (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription price:	HK\$0.10 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated expenses incurred in relation to the Rights Issue):	Approximately HK\$0.096 per Rights Share
Number of Shares in issue as at the date of this announcement:	288,260,780 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	Up to 144,130,390 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Aggregate nominal value of the Rights Shares:	Up to HK\$1,441,303.9 (assuming no further issue or repurchase of Shares on or before the Record Date)
Number of Shares in issue upon completion of the Rights Issue (assuming that the Rights Issue is fully subscribed):	Up to 432,391,170 Shares (assuming no further issue or repurchase of Shares on or before the Record Date other than Rights Shares)

Gross proceeds from the Rights Issue:	Up to HK\$14.4 million (assuming no further issue or repurchase of Shares on or before the Record Date and all the Rights Shares will be taken up)
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As at the date of this announcement, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming that there will not be any further issue of new Shares or repurchase of Shares on or before the Record Date, the 144,130,390 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents approximately 50.0% of the total number of issued Shares and approximately 33.3% of the total number of issued as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up).

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. The Unsubscribed Rights Shares and ES Unsold Rights Shares which remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or may result in the non-compliance by the Company of the Public Float Requirement. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and or (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares will be refunded to the applicants.

## **Undertaking**

As at the date of this announcement, the Company has not received any information or undertaking from any Shareholder of their intention as to whether such Shareholder will take up his/her entitlements under the Rights Issue.

## **Subscription Price**

The Subscription Price is HK\$0.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 67.21% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 66.44% to the average closing price of HK\$0.298 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 66.16% to the average closing price of HK\$0.2955 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 57.75% to the theoretical ex-rights price of approximately HK\$0.2367 per Share based on the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 22.40%, represented by the theoretical diluted price of approximately HK\$0.2367 per Share to the benchmarked price of approximately HK\$0.305 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.305 per Share and the average closing prices of approximately HK\$0.298 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of this announcement); and



- (vi) a discount of approximately 92.75% to the audited consolidated net asset value per Share of approximately HK\$1.38 as at 31 December 2024 (based on the latest published audited consolidated net asset value attributable to Shareholders of approximately HK\$399,063,000 and 288,260,780 Shares in issue).

The Subscription Price was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this announcement.

In determining the Subscription Price, which represents a discount of approximately 67.21% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day, the Directors have considered, among other things as mentioned above, market price of the Shares traded on the Stock Exchange in the past three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.3113 per Share. The Subscription Price of HK\$0.10 per Rights Share represents a discount of approximately 67.88% to the average closing price of approximately HK\$0.3113 per Share for the Relevant Period. In addition, during the Relevant Period, the average daily trading volume amounting to approximately 0.01% of the issued Existing Shares as at the Last Trading Day, indicating a lack of liquidity and demand for the Shares. Also, the Group recorded consecutive net losses of approximately HK\$11.1 million, HK\$19.1 million and HK\$14.4 million for the three years ended 31 December 2024, respectively.

In view the above and having considered (i) all Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue at a relatively low price as compared to the historical market price of the Shares and at a discount to the recent closing prices of the Shares; (ii) the discount of the Subscription Price will encourage the Qualifying Shareholders to participate in the Rights Issue and the future growth of the Group; and (iii) 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 Shares in the market. As such, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Status of the Rights Shares**

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

## **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders on the Record Date. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will make available the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, make available the Prospectus (without the PAL) to the Excluded Shareholders (if any) for their information only.

To qualify for the Rights Issue, a Shareholder:

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

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date so as to qualify for the Rights Issue, any transfer of Shares (together with the relevant share certificates) must be lodged with the Registrar for registration no later than 4:00 p.m. on Tuesday, 13 May 2025.

It is expected that the last day of dealing in the Shares on a cum-rights basis is Friday, 9 May 2025 and the Shares will be dealt with on an ex-rights basis from Monday, 12 May 2025. The latest time for acceptance of and payment for the Rights Shares and application for and payment for the Rights Shares is expected to be at 4:00 p.m. on Wednesday, 4 June 2025.

**Qualifying Shareholders who take up their pro rata entitlement in full will not suffer 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.**

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

The register of members of the Company will be closed from Wednesday, 14 May 2025 to Tuesday, 20 May 2025, both days inclusive, for determining the Shareholders' entitlement to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

#### **Rights of Overseas Shareholders (if any)**

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

The Board will comply with Rule 13.36 of the 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, 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 the place(s) of their registered address(es) or the requirements of the relevant overseas regulatory bod(ies) or stock exchange(s) in such place(s), 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 Excluded Shareholders. The basis for excluding the Excluded Shareholders (if any) from the Rights Issue will be set out in the Prospectus to be issued.

The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send the PALs to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars. In view of the administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

**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 Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

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

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of 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 as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent Placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised from the Placing will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 13 June 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

- (i) 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
- (ii) the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain of HK\$100 or more to the individual No Action Shareholder mentioned above will be paid to them in Hong Kong Dollars only and the Company will retain individual amount 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 and the Excluded Shareholders may or may not receive any Net Gain.

### **Basis of provisional allotments**

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed "Fractional entitlements to the Rights Shares" below.

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

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for all fully-paid Rights Shares or (ii) refund cheques (if the Rights Issue does not proceed) are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on Friday, 20 June 2025.

## **Taxation**

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

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in same board lot size as the Shares, i.e., 10,000 Shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

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

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

## **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and the 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 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.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

### **Odd lots arrangements and matching services**

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 23 May 2025 to 4:00 p.m. on Thursday, 12 June 2025 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the odd lots arrangement will be set out in the Prospectus.

## **THE PLACING AGREEMENT**

On 29 April 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date: 29 April 2025 (after trading hours)

Issuer: The Company

Placing Agent: BMI Securities Limited

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 of and not connected with the Company and its connected persons within the meaning of the Listing Rules.



Fees and expenses:	3.0% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and the ES Unsold Rights Shares that are successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion of the Placing.
Placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	The placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares shall be at least equal to the Subscription Price. The final price is dependent on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the process of placement.
Placees:	The individuals, corporate, institutional investors or other investors procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.
Ranking of the Unsubscribed Rights Shares and ES Unsold Rights Shares:	The Unsubscribed Rights Shares and ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.
Termination:	The Placing shall end on Friday, 13 June 2025 or any other date by mutual written agreement between the Placing Agent and the Company.

The Placing Agent shall be entitled by notice in writing to the Company given prior to 4:00 p.m. on Monday, 16 June 2025 to terminate the Placing Agreement if any of the following events occur:

- (i) any material breach of any of the representations and warranties by the Company under the Placing Agreement;
- (ii) any suspension in the trading of the Shares on the Stock Exchange due to exceptional financial circumstances;
- (iii) any force majeure occurrence which would be likely to result in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under the Placing Agreement; or
- (iv) any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make them inadvisable to continue the engagement.

Conditions precedent:

The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Unsubscribed Rights Shares and ES Unsold Rights Shares);

- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The conditions precedent (i) above shall not be waived by any party to the Placing Agreement, while the condition precedent (ii) and (iii) above may be waived by the Placing Agent (but not by the Company) unilaterally in writing to the Company at any time prior to 4:00 p.m. on Monday, 16 June 2025. In the event any of the conditions precedent above not having been satisfied or fulfilled (or waived in accordance with the foregoing provisions of this paragraph) on or before 4:00 p.m. on Monday, 16 June 2025 (or such later date as may be agreed between the parties in writing), all rights, obligations and liabilities of the respective parties shall cease and terminate and no party shall have any claim against the other party save for any antecedent breach of the Placing Agreement prior to such termination.

**Completion:**

Placing completion shall take place on Friday, 20 June 2025 or such other date as the Company and the Placing Agent may agree in writing.

The Placing Agent shall ensure that the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the Listing Rules immediately following the Placing.

The Company will continue to comply with the Public Float Requirement and the Placing will not have any implication 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 engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the market conditions. The Board considers the terms of the Placing for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and ES Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (i) the electronic delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the Listing Rules by no later than the Prospectus Posting Date;
- (ii) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms;
- (iv) the Placing Agreement not being terminated; and
- (v) the Company having complied with the requirements under all applicable laws and regulations.

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 referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue, assuming none of the Qualifying Shareholder takes up any of the Rights Shares and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed by the Qualifying Shareholders		Assuming none of the Qualifying Shareholder takes up any of the Rights Shares and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Beijing Design Group Company Limited ( <i>Note 1</i> )	79,473,780	27.57	119,210,670	27.57	79,473,780	18.38
Rainbow Path International Limited ( <i>Note 2</i> )	62,198,000	21.58	93,297,000	21.58	62,198,000	14.38
Veteran Ventures Limited ( <i>Note 2</i> )	7,200,000	2.50	10,800,000	2.50	7,200,000	1.67
Vivid Colour Limited ( <i>Note 3</i> )	25,662,000	8.90	38,493,000	8.90	25,662,000	5.93
Jun Ming Investments Limited ( <i>Note 4</i> )	12,940,000	4.49	19,410,000	4.49	12,940,000	2.99
Liang Ronald ( <i>Note 2</i> )	6,272,000	2.18	9,408,000	2.18	6,272,000	1.45
Fu Chin Shing ( <i>Note 3 &amp; 5</i> )	8,724,000	3.02	13,086,000	3.02	8,724,000	2.02
Wang Jun You ( <i>Note 4 &amp; 6</i> )	1,450,000	0.50	2,175,000	0.50	1,450,000	0.34
Chung Wai Chi, Connie ( <i>Note 5</i> )	298,000	0.10	447,000	0.10	298,000	0.07
Li Min ( <i>Note 6</i> )	200,000	0.07	300,000	0.07	200,000	0.05
Public Shareholders	83,843,000	29.09	125,764,500	29.09	83,843,000	19.39
Placees ( <i>Note 7</i> )	—	—	—	—	144,130,390	33.33
Total	<u>288,260,780</u>	<u>100.00</u>	<u>432,391,170</u>	<u>100.00</u>	<u>432,391,170</u>	<u>100.00</u>

*Notes:*

1. Beijing Design Group Company Limited is 100% owned by Beijing General Municipal Engineering Design & Research Institute Co., Ltd. (“**BMEDI**”) and BMEDI is 100% owned by Beijing Enterprises Group Company Limited.
2. Rainbow Path International Limited and Veteran Ventures Limited are 100% owned by Mr. Liang Ronald, an executive Director. As such, Mr. Liang is deemed to be interested in all the Shares in which Rainbow Path International Limited and Veteran Ventures Limited are interested under the SFO.
3. Vivid Colour Limited is 100% owned by Mr. Fu Chin Shing, an executive Director. As such, Mr. Fu is deemed to be interested in all the Shares in which Vivid Colour Limited is interested under the SFO.
4. Jun Ming Investments Limited is 100% owned by Mr. Wang Jun You, an executive Director. As such, Mr. Wang is deemed to be interested in all the Shares in which Jun Ming Investments Limited is interested under the SFO.
5. Mr. Fu Chin Shing, is the spouse of Ms. Chung Wai Chi, Connie. Therefore, Mr. Fu is deemed to be interested in 298,000 shares held by Ms. Chung under the SFO, and Ms. Chung is deemed to be interested in 34,386,000 shares held by Mr. Fu under the SFO.
6. Mr. Wang Jun You, is the spouse of Ms. Li Min. Therefore, Mr. Wang is deemed to be interested in 200,000 shares held by Ms. Li under the SFO, and Ms. Li is deemed to be interested in 14,390,000 shares held by Mr. Wang under the SFO.
7. Pursuant to the Placing Agreement, the Placing Agent shall ensure that the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the Listing Rules immediately following the Placing.
8. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

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

The principal business of the Group is to deliver comprehensive architectural services. This encompasses architecture, planning and urban design, interior design, landscape design, heritage conservation, brand experience and lighting design. These disciplines within the Group collaborate seamlessly, akin to the integrated parts of a machine, allowing the Group to offer comprehensive design solutions for all entrusted projects.

As disclosed in the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), the Group recorded a net loss of approximately HK\$14.4 million for the year ended 31 December 2024. Due to (i) the sluggish property market in the PRC after 2021 following stringent government regulations implemented, and (ii) declining demand in the Hong Kong property market, the Group recorded net loss for the three consecutive years.

Saudi Arabia’s Vision 2030, launched in 2016, aims to transform the economy by reducing its reliance on oil and diversifying into other sectors, particularly real estate. The property market has seen significant growth, attracting both local and international investors seeking opportunities in Saudi Arabia’s vibrant market. To seize the opportunities and broaden the Group’s revenue stream, the Group entered the Middle East and North Africa (“**MENA**”) region in 2018. Since then, revenue from the MENA region has grown steadily. For the year ended 31 December 2024, revenue from the MENA region totaled approximately HK\$64.7 million, a 20.9% increase compared to 2023. This accounted for 16.1% of the Group’s total revenue in 2024, up from 11.8% in 2023. As stated in the 2024 Annual Report, industry forecasts for 2025 remain positive, with high-end housing markets in cities like Dubai expected to grow further due to limited luxury property supply and population growth. The Group is committed to expanding its presence in key markets, including the MENA region.

Despite the Group recorded cash and bank balances of HK\$74.6 million as at 31 December 2024, approximately HK\$36.8 million was maintained as a minimum deposit required by the bank for its borrowings. In addition, the Group had bank and other borrowings amounted to approximately HK\$86.6 million which are repayable within one year. In view of the aforementioned business expansion and the undesirable financial performance over the years, the Directors consider that it is commercially reasonable and justifiable to obtain external financing to support its working capital and to develop its business with a view to achieving continuous improvement of the Group’s financial performance.



The expenses in relation to the Rights Issue are estimated to be approximately HK\$0.6 million and will be payable by the Company.

The net proceeds from the Rights Issue are estimated to be not more than approximately HK\$13.8 million (assuming no further issue or repurchase of Shares on or before the Record Date and all the Rights Shares will be taken up). The Company intends to apply such net proceeds for the following purposes:

- (i) approximately HK\$4.1 million, representing 30.0% of the net proceeds, will be utilised by December 2026 for further development and strengthening the Group's existing business in MENA region by recruitment of skilled professionals in delivering high-quality projects while also hiring business development and marketing experts. These experts will enhance the brand and reputation by participating in industry events, networking with potential clients and partners, and fostering strategic relationships that drive the growth and market presence;
- (ii) approximately HK\$4.1 million, representing 30.0% of the net proceeds, will be utilised by December 2026 to enhance the Group's information technology infrastructure through the development of digital platform with artificial intelligence technology for its existing business. It aims to enhance the workflow efficiency and accuracy, as well as assist in the design process by allowing for faster iterations and innovative solutions; and
- (iii) approximately HK\$5.6 million, representing 40.0% of the net proceeds, will be utilised by December 2026 for general working capital of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the Group will prioritise in allocating and utilising the net proceeds for general working capital of the Group, and the balance will be utilised in proportion to the development and strengthening the business in MENA region and enhancement of the Group's information technology infrastructure for its existing business. Nevertheless, in the event that there is any shortfall in net proceeds from the Rights Issue, the Company will further evaluate the available options according to the operating conditions and may consider to finance the shortfall by other means of financing, including but not limited to debt financing or equity fund raising such as placing of new shares, as and when appropriate.

Besides the Rights Issue, the Directors have considered other fundraising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares or open offer. In respect of debt financing, the Directors are of the view that the Group does not have material fixed assets which are satisfactory to the banks to be served as collaterals. Therefore, debt financing may not be achievable on favourable terms in a timely manner or may require pledge of other kinds of assets or securities which may reduce the Group's flexibility. The Board also notes that bank borrowings, even if available, would result in substantial interest burden, higher gearing ratio and greater liquidity pressure of the Company. In respect of equity financing, the Directors are of the view that placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. The Directors consider that rights issue would be more attractive and flexible to the Shareholders than open offer because the Shareholders would have a choice to sell their entitled nil-paid Rights Shares when they do not wish to participate in the Rights Issue.

Given the above, the Directors are of the view that the Rights Issue will allow the Group to strengthen its capital structure to support its business operation and development, without incurring additional debt financing cost. Furthermore, the Rights Issue will afford the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement to the Rights Shares and hence avoid dilution of their shareholding interests in the Company. Therefore, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the date of this announcement.

## **CHANGE IN BOARD LOT SIZE**

As set out in the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000. In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Friday, 23 May 2025. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-rights price of HK\$0.2367 per Share, the market value of each existing board lot is approximately HK\$473.4 and the estimated market value of each proposed new board lot is approximately HK\$2,367.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, a designated broker will be appointed to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 23 May 2025 to 4:00 p.m. on Thursday, 12 June 2025 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the odd lots arrangement will be set out in the Prospectus.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue and Change in Board Lot Size set out below is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Publication of this announcement . . . . .	Tuesday, 29 April 2025
Last day of dealing in the Shares on a cum-rights basis relating to the Rights Issue . . . . .	Friday, 9 May 2025
First day of dealing in the Shares on an ex-rights basis relating to the Rights Issue . . . . .	Monday, 12 May 2025
Latest time for the Shareholders to lodge transfer documents of Shares in order to qualify for the Rights Issue . . . . .	4:00 p.m. on Tuesday, 13 May 2025
Closure of register of members of the Company for the Rights Issue (both dates inclusive) . . . . .	Wednesday, 14 May 2025 to Tuesday, 20 May 2025

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Record Date for determining entitlements to the Rights Issue.....	Tuesday, 20 May 2025
Register of members of the Company re-opens.....	Wednesday, 21 May 2025
The Prospectus Documents made available to the Qualifying Shareholders (including the PAL and Prospectus) (in the case of the Excluded Shareholder(s), the Prospectus only) .....	Wednesday, 21 May 2025
Designated broker starts to stand in the market to provide matching services for odd lots of Shares .....	9:00 a.m. on Friday, 23 May 2025
First day of dealings in nil-paid Rights Shares in board lots of 10,000 Rights Shares .....	Friday, 23 May 2025
Effective date of the change in board lot size from 2,000 Shares to 10,000 Shares .....	Friday, 23 May 2025
Latest time for splitting of the PAL.....	4:00 p.m. on Tuesday, 27 May 2025
Last day of dealings in nil-paid Rights Shares in board lots of 10,000 Rights Shares .....	Friday, 30 May 2025
Latest time for acceptance of and payment for the Rights Shares.....	4:00 p.m. on Wednesday, 4 June 2025
Announcement of the number of Unsubscribed Rights Share and ES Unsold Rights Shares subject to Compensatory Arrangements.....	Friday, 6 June 2025

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Commencement of placing of Unsubscribed Rights Share and ES Unsold Rights Shares by the Placing Agent . . . . .	Monday, 9 June 2025
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares . . . . .	4:00 p.m. on Thursday, 12 June 2025
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent . . . . .	4:00 p.m. on Friday, 13 June 2025
Latest time for termination of the Placing Agreement for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Monday, 16 June 2025
Announcement of results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Rights Share and ES Unsold Rights Share under the Compensatory Arrangements) . . . . .	Thursday, 19 June 2025
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed) . . . . .	Friday, 20 June 2025
Share certificates for fully-paid Rights Shares to be despatched . . . . .	Friday, 20 June 2025
Commencement of dealings in fully-paid Rights Shares . . . . .	Monday, 23 June 2025
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholder(s) (if any) . . . . .	Friday, 27 June 2025

## **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 the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoon as announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares and for application 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 the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares and for application 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 in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Wednesday, 4 June 2025, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

## **LISTING RULES IMPLICATIONS**

As the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed Rights Issue or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

## **GENERAL**

The Company will make available the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on Wednesday, 21 May 2025. The Company will make available the Prospectus (without the PAL(s)) to the Excluded Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

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

**The Shares will be dealt on an ex-rights basis from Monday, 12 May 2025. Dealings in the nil-paid Rights Shares in the new board lots of 10,000 Shares are expected to take place from Friday, 23 May 2025 to Friday, 30 May 2025 (both days inclusive). If the conditions of the Rights Issue (please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement) are not fulfilled, the Rights Issue will not proceed.**

**Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.**

## **DEFINITIONS**

Terms used in this announcement have the following meanings unless the context otherwise requires:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC



“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 10,000 Shares
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	C Cheng Holdings Limited (思城控股有限公司), a company incorporated in the Cayman Island with limited liability whose issued share are listed on the Stock Exchange (stock code: 1486)
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“ES Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue 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

“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any individual(s) or company(ies) independent of the Company and its connected persons and not connected with any of them or their respective associate(s)
“Last Trading Day”	29 April 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 4 June 2025, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 16 June 2025 or such later time as may be agreed between the Company and the Placing Agent in writing
“Listing Committee”	has the meaning ascribed to it under the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the Placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) 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
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placees”	individuals, corporate, institutional investors or other investors, procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	arrangements to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis pursuant to the Placing Agreement
“Placing Agent”	BMI Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under SFO

“Placing Agreement”	the placing agreement dated 29 April 2025 entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be made available to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Wednesday, 21 May 2025 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Qualifying Shareholders”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Tuesday, 20 May 2025, or on such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong

“Rights Issue”	the proposed issue of the Rights Shares for subscription by the Qualifying Shareholders on the basis of one (1) Rights Shares for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	up to 144,130,390 new Shares (assuming no change in the number of issued Shares on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in the incurring an obligation to make a general offer for the Shares under the Takeovers Code or failure to comply with the Public Float Requirement on the part of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC

“Unsubscribed Rights Shares”                      the Rights Shares that are not subscribed by the Qualifying Shareholders

“%”    per cent

By order of the Board  
**C Cheng Holdings Limited**  
**Liang Ronald**  
*Chairman*

Hong Kong, 29 April 2025

*As at the date of this announcement, the executive Directors are Mr. Liang Ronald, Mr. Liu Jiang Tao, Mr. Fu Chin Shing, Mr. Wang Jun You, Mr. Deng Li Ming and Mr. Lei Zhi Jun, and the independent non-executive Directors are Mr. Chan James, Mr. Wong Hin Wing and Ms. Su Ling.*