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Howkingtech International Holding Limited

濠暎科技國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2440)

(1) 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 (2) CLOSURE OF REGISTER OF MEMBERS

Financial adviser to the Company



PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.262 per Rights Share, to raise gross proceeds of up to approximately HK\$154.80 million by issuing up to 122,659,756 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date).

The net proceeds from the Rights Issue (after deducting all necessary costs and expenses) are estimated to be up to approximately HK\$152.96 million (assuming no change in the number of Shares in issue on or before the Record Date).

The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and unsold aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the date of this announcement; (ii) the proposed Rights Issue will not increase either the total number of issued Shares (excluding treasury shares) or the market capitalisation of the Company by more than 50%; and (iii) the Rights Issue is not underwritten by a director, chief executive or controlling or substantial shareholder (or any of their respective associates) of the Company, the Rights Issue is not subject to minority shareholder's approval pursuant to Rule 7.19A of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 26 June 2025 to Thursday, 3 July 2025 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. No transfers of Shares will be registered during this period.

GENERAL

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents setting out details of the Rights Issue will be made available to the Qualifying Shareholders on or about Friday, 4 July 2025. To the extent legally permissible and reasonably practicable, the Prospectus will be made available to the Non-Qualifying Shareholder(s) (if any) for information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholder(s) (if any). A copy of the Prospectus will also be made available on the websites of the Company (<http://www.howkingtech.com>) and the Stock Exchange (www.hkexnews.hk).

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of excess Rights Shares not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly.

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 proceed. 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 Shares are expected to be dealt in on an ex-rights basis from Tuesday, 24 June 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 8 July 2025 to Tuesday, 15 July 2025 (both days inclusive). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. 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 adviser(s).

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.262 per Rights Share, to raise gross proceeds of up to approximately HK\$154.80 million by issuing up to 22,659,756 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date).

The Rights Issue is not underwritten. The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

Details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$1.262 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated expenses incurred in relation to the Rights Issue)	:	approximately HK\$1.25 per Rights Share (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue as at the date of this announcement	:	245,319,513 Shares

As at the date of this announcement, the Company does not hold any treasury Shares and there is no repurchased Share pending cancellation.

Number of Rights Shares to be issued under the Rights Issue	:	up to 122,659,756 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of Rights Shares to be issued under the Rights Issue	:	USD1,226,597.56 (assuming no change in the number of Shares in issue on or before the Record Date)
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	up to 367,979,269 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Gross proceeds to be raised	:	up to approximately HK\$154.80 million (assuming no change in the number of Shares in issue on or before the Record Date)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional entitlements.

As at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for the 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 that there is no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the maximum of 122,659,756 Rights Shares proposed to be issued pursuant to the Rights Issue represent (i) approximately 50.0% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

Subscription Price

The Subscription Price is HK\$1.262 per Rights Share, which is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 49.7% to the closing price of HK\$2.51 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 50.0% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of HK\$2.524;

- (iii) a discount of approximately 48.6% to the average of the closing prices per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of HK\$2.454;
- (iv) a premium of approximately 50.2% to the latest published audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024 of approximately HK\$0.84 (based on the consolidated net asset value of the Group attributable to the Shareholders as at 31 December 2024 of approximately HK\$205.4 million as disclosed in the annual report of the Company dated 23 April 2025 and 245,319,513 Shares in issue as at the date of this announcement); and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 16.7%, represented by a discount of the theoretical diluted price of approximately HK\$2.10 per Share to the benchmarked price of HK\$2.524 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$2.51 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days preceding the Last Trading Day of HK\$2.524 per Share).

The Subscription Price was determined by the Company with reference to the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS” below in this announcement.

The Board considers 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.

Non-underwritten basis

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and unsold aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level and no minimum amount is required 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, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the PAL or for excess Rights Shares under the EAF can 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 (ii) does not result in the Company’s non-compliance with the public float requirement under Rule 8.08 of the Listing Rules.

Basis of provisional allotment

The basis of provisional allotment of Rights Shares will be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing a PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Friday, 18 July 2025.

Qualifying Shareholders who take up their pro-rata assured 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.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. The Company will make available the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. To the extent legally permissible and reasonably practicable, the Prospectus will be made available to the Non-Qualifying Shareholder(s) (if any) for information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholder(s) (if any).

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date. In order to be registered as a member of the Company on the Record Date, all transfer documents for the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Registrar by no later than 4:30 p.m. on Wednesday, 25 June 2025.

The last day for dealing in the Shares on a cum-rights basis is Monday, 23 June 2025, and the Shares will be dealt with on an ex-rights basis starting from Tuesday, 24 June 2025. 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.

For those beneficial owners of the Shares whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) or which are deposited in CCASS and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar for completion of the relevant registration by no later than 4:30 p.m. on Wednesday, 25 June 2025.

Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than (a) Hong Kong and (b) the PRC in accordance with the Trial Administrative Measures, if necessary. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors will make reasonable enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) present on the Record Date, if any, under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory body(ies) or stock exchange(s). If, based on legal advice to be provided by the legal advisers to the Company, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions or prohibitions under the laws of the relevant jurisdiction(s) or any requirements of the relevant regulatory body(ies) or stock exchange(s) in such jurisdiction(s), to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, such Overseas Shareholder(s), if any, will be regarded as Non-Qualifying Shareholder(s) and will not qualify for the Rights Issue. The basis of exclusion of Non-Qualifying Shareholder(s), if any, from the Rights Issue will be disclosed in the Prospectus.

To the extent legally permissible and reasonably practicable, the Prospectus will be made available to the Non-Qualifying Shareholder(s) (if any) for information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholder(s) (if any).

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange 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 each sale, less expenses and stamp duty, of more than HK\$100 will be distributed by the Company to the relevant Non-Qualifying Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold nil-paid Rights Shares of the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders.

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.

Fractional entitlement 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. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. Any unsold Rights Shares representing the aggregation of the fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the section headed “Application for excess Rights Shares” below.

Odd lot arrangement

In order to facilitate the trading of odd lots (if any) of the Shares, a designated broker will be appointed 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 excess Rights Shares

The Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted, and the excess Rights Shares represent:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders; and
- (iii) any Rights Shares created from the aggregation of unsold fractions of Rights Shares not provisionally allotted to the Qualifying Shareholders.

Application for excess Rights Shares may be made by Qualifying Shareholders by completing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Friday, 18 July 2025.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

Basis of allocation of excess Rights Shares

The Company will allocate the excess Rights Shares (if any) at its discretion on a fair and equitable basis as far as practicable on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro-rata basis by reference to the number of the excess Rights Shares applied for;
- (ii) no reference will be made to the Rights Shares subscribed through applications by the PALs or the existing number of Shares held by the Qualifying Shareholders; and
- (iii) no preferences will be given to applications for topping up odd-lots to whole board lots.

Pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholders or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights under the PALs is greater than the aggregate number of excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for excess Rights Shares in full in accordance with the number of excess Rights Shares applied for.

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for the excess Rights Shares may be rejected at the sole discretion of the Board.

Shareholders whose Shares are held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Beneficial owners whose Shares are held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company the record dates of which fall on or after the date of issue of the fully-paid Rights Shares.

Irrevocable Undertaking

As at the date of this announcement, the Board has not received any irrevocable undertaking from any Shareholders to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

Application for listing of the Rights Shares

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 their nil-paid and fully-paid forms. The board lot size of the nil-paid Rights Shares will be the same as that of the fully-paid Rights Shares, i.e. 1,000 Shares in one board lot.

No securities of the Company in issue or the Rights Shares for which listing or permission to deal in is to be sought is or will be listed or dealt in on any other stock exchange.

Admission of Rights Shares 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 are expected to 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 may be determined by HKSCC.

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

Stamp duty and other applicable fees

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

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, subscribing, exercising, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares. 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.

Share certificates and refund cheques for Rights Issues

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on Monday, 28 July 2025. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Monday, 28 July 2025 by ordinary post to the applicants' registered address, at their own risk.

Conditions of the Rights Issue

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

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (ii) the electronic submission to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of each of the Prospectus Documents no later than the Prospectus Posting Date in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the requirements of the Listing Rules;
- (iii) the Prospectus Documents having been made available to the Qualifying Shareholders on the Prospectus Posting Date, and the Prospectus having been made available to the Non-Qualifying Shareholders, if any, for information purpose only on the Prospectus Posting Date; and
- (iv) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused.

None of the above conditions can be waived. If any of the above conditions is not satisfied, the Rights Issue will not proceed.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 26 June 2025 to Thursday, 3 July 2025 (both days inclusive) for the purpose of determining the entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

EXPECTED TIMETABLE

The expected timetable of the Rights Issue is set out below:

Event	2025 (Hong Kong time)
Announcement of the Rights Issue	Wednesday, 4 June
Last day of dealings in the Shares on a cum-rights basis	Monday, 23 June
First day of dealing in the Shares on an ex-rights basis	Tuesday, 24 June
Latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue.	4:30 p.m. on Wednesday, 25 June
Closure of the register of members of the Company for determining entitlements under the Rights Issue	Thursday, 26 June to Thursday, 3 July (both days inclusive)
Record Date	Thursday, 3 July
Despatch of the Prospectus Documents	Friday, 4 July
First day of dealings in nil-paid Rights Shares	Tuesday, 8 July
Latest time for splitting the PAL	4:30 p.m. on Thursday, 10 July
Last day of dealings in nil-paid Rights Shares	Tuesday, 15 July
Latest time for acceptance of, and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 18 July
Announcement of results of the Rights Issue	Friday, 25 July

Event**2025
(Hong Kong time)**

Despatch of certificates for fully-paid Rights Shares and refund cheques (if any, for wholly and partially unsuccessful excess applications or if the Rights Issue is terminated)	Monday, 28 July
Expected first day of dealings in fully-paid Rights Shares on the Stock Exchange.	Tuesday, 29 July
Designated broker commences to provide matching services for odd lots of Shares	9:00 a.m. Tuesday, 29 July
Designated broker ceases to provide matching services for odd lots of Shares	4:00 p.m. Monday, 18 August

Dates specified in this announcement refer to Hong Kong local time and are indicative only. Shareholders will be notified of any changes to the expected timetable as and when necessary.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

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

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and application and payment for excess 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 date of the Latest Time for Acceptance. Instead the latest time of acceptance of and payment for the Rights Shares and application and payment for excess 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 does not take place on the currently scheduled date, the dates mentioned in the paragraph headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Rights Issue assuming (1) none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares; and (2) all the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full:

Shareholders	As at the date of this announcement		Immediately after completion of the Right Issue			
			Assuming none of the Qualifying Shareholders have taken up their respective entitlements to the Rights Shares		Assuming all the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Controlling Shareholder						
Home Office Development Limited (Note)	157,773,400	64.31	157,773,400	64.31	236,660,100	64.31
Public Shareholders	87,546,113	35.69	87,546,113	35.69	131,319,169	35.69
Total	<u>245,319,513</u>	<u>100.0</u>	<u>245,319,513</u>	<u>100.0</u>	<u>367,979,269</u>	<u>100.0</u>

Note: Home Office Development Limited is directly wholly owned by Mr. Chan Chin Ching. The Rights Issue will be subject to the 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 PAL or for excess Rights Shares under the EAF can 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 (ii) does not result in the Company's non-compliance with the public float requirement under Rule 8.08 of the Listing Rules.

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

The Group is principally engaged in the technology sector, specializing in the development of hardware and software for Internet of Thing (“IoT”), telecommunication, and other innovative technology-driven fields.

The estimated net proceeds of the Rights Issue, if fully subscribed, will be up to approximately HK\$152.96 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to utilise the net proceeds from the Rights Issue in the following manner:

- (i) as to HK\$68.83 million, representing 45% of the net proceed for replenishment of general working capital of the Group, including but not limited to the payment of salaries, rental expenses, professional fees and/or other corporate expenses, and settlement of trade and other payables;

- (ii) as to HK\$84.13 million, representing 55% of the net proceeds for strategic expansion and development in next-generation technology and businesses based on the existing technology business. The Company remains fully committed to developing its existing business operations and also intends to explore business opportunities related to next-generation technology, namely, artificial intelligence (“AI”) and blockchain, as disclosed in the development plan of the controlling shareholder on the development of the Group under the paragraph headed “Intention of the Offeror in the Group” in the composite document of the Company dated 7 March 2025. The Company intends to enhance the existing services, namely IoT software and solutions, by integrating AI and blockchain. This will involve offering solutions such as decentralised applications and smart contracts based on the IoT solutions. These integrated solutions are expected to improve transparency, enhance security and reduce fraud, and ultimately benefit both our clients and the Company’s business growth. In particular:
- (a) approximately HK\$22.95 million, representing 15% of the net proceeds, will be used for technological advancement through research and development (“R&D”). A key focus will be the in-house R&D that integrates AI and blockchain into the Company’s existing technology, such as internet platforms, to drive digital and cultural transformation and application across various business sectors. This will enable the Company to deliver solutions that enhance services for new and existing clients and explore new business opportunities across different industries and markets. The net proceeds will primarily cover server costs and R&D personnel expenses, including the recruitment of additional staff;
 - (b) approximately HK\$30.59 million, representing 20% of the net proceeds, will be used for hiring technology specialists who will provide digital and cultural transformation and marketing services and advice to our clients. These specialists will advise existing clients and explore new business opportunities, including advising on the technical know-how and application of integration of AI and blockchain technologies, across different industries and markets; and
 - (c) approximately HK\$30.59 million, representing 20% of the net proceeds, will be used for collaborating with traditional industry companies and IP owners. The collaboration involves applying our expertise and in-house developed technologies focused on digital and cultural transformations on the traditional industry companies and IP owners. We intend to pursue collaborations through various approaches, including co-branding and strategic partnerships with IP owners, where we will co-develop products through licensing agreements or equity investments. We may also engage in joint ventures or equity investments in traditional market players, to jointly develop digital transformation solutions which bring digital and cultural transformations tailored to their respective industries.

The expansion and development of next-generation technology and businesses will be led by our management team, which has extensive experience in the technology industry. Mr. Chan Chin Ching, the Chairman of the Board and Executive Director, will oversee the expansion of the next-generation technology business. Mr. Chan is the Chief Executive Officer of a Web3 venture studio. Mr. Chan Chin Chun, the Chief Product Officer of the Company, has extensive experience in next-generation technology, including blockchain applications and digital asset management.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above. Under such circumstances, the Company will consider adjusting the timeline and/or the scale of development to align with available funding. Further details of the use of proceeds will be disclosed by the Company in the announcement of results of the Rights Issue.

The Board considers it is prudent and preferable to finance the long-term growth of the Group in the form of equity fund raising which will not increase the Group's financing costs. Apart from the Rights Issue, the Board has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing of new shares and open offer. The Board notes that bank borrowings, if available, would result in additional interest burden of the Company and create pressure to the liquidity of the Company. Hence, the Board 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.

The Board believes that the Rights Issue would offer equal opportunities and flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up their respective rights entitlement, applying for excess Rights Shares, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability). Also, the Rights Issue will enable the Group to strengthen its capital reserve and may enhance the Group's position to support its future development and possible investment opportunities that may arise in the future. Proceeds raised from the Rights Issue will be used in the aforementioned manners and will not be used for investment in securities/financial products or digital assets such as cryptocurrency.

Having considered the above, the Board is of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES 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.

LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the date of this announcement; (ii) the proposed Rights Issue will not increase either the total number of issued Shares (excluding treasury shares) or the market capitalisation of the Company by more than 50%; and (iii) the Rights Issue is not underwritten by a director, chief executive or controlling or substantial shareholder (or any of their respective associates) of the Company, the Rights Issue is not subject to minority shareholder's approval pursuant to Rule 7.19A of the Listing Rules. In addition, the Rights Issue does not result in a theoretical dilution effect of 25% or more.

GENERAL

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents setting out details of the Rights Issue will be made available to the Qualifying Shareholders on or about Friday, 4 July 2025. To the extent legally permissible and reasonably practicable, the Prospectus will be made available to the Non-Qualifying Shareholder(s) (if any) for information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholder(s) (if any). A copy of the Prospectus will also be made available on the websites of the Company (<http://www.howkingtech.com>) and the Stock Exchange (www.hkexnews.hk).

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of excess Rights Shares not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly.

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 proceed. 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 Shares are expected to be dealt in on an ex-rights basis from Tuesday, 24 June 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 8 July 2025 to Tuesday, 15 July 2025 (both days inclusive). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. 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 adviser(s).

DEFINITIONS

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

“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Howkingtech International Holding Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board (stock code: 2440)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	Wednesday, 4 June 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 Friday, 18 July 2025 (or such other time and date as the Company may determine), being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for the excess Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares to on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 4 July 2025, or such other day as may be determined by the Company, for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose names(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Thursday, 3 July 2025, or such other day as may be determined by the Company, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

“Rights Issue”	the proposed issue by the Company of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date payable in full on acceptance
“Rights Shares”	the new Shares to be issued and allotted under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of USD0.01 each
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.262 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended from time to time)
“treasury Shares”	has the meaning ascribed under the Listing Rules (as amend from time to time)
“Trial Administrative Measures”	the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (境內企業境外發行證券和上市管理試行辦法) promulgated by the CSRC effective from 31 March 2023
“USD”	United States dollars, the lawful currency of The United States of America
“%”	per cent

By Order of the Board
Howkingtech International Holding Limited
CHAN Chin Ching
Chairman and executive Director

Hong Kong, 4 June 2025

As of the date of this announcement, the Board comprises Mr. Chan Chin Ching, Mr. Chan Chin Chun, Mr. Kwong Kevin Tak Tsing and Mr. Lee Alexander Patrick as executive Directors; and Mr. Ng Pui Sun Wesley, Ms. Peng Cheng and Mr. Siu Chi Wai as independent non-executive Directors.

* *For identification purpose only.*