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Sandmartin International Holdings Limited
聖馬丁國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 482)

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

Financial adviser to the Company

禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation in the following manner:

(i) the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of par value of HK$0.10 each will be consolidated into one (1) Consolidated Share of par value of HK$1.00 (any fraction in the issued share capital of the Company which may arise from the Share Consolidation will be cancelled);

* *For identification purpose only*

(ii) the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (b) cancelling the paid-up share capital of the Company to the extent of HK$0.90 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$1.00 to HK$0.10;

(iii) the Share Subdivision whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$1.00 each in the authorised share capital of the Company will be subdivided into ten (10) authorised but unissued Adjusted Shares of par value of HK$0.10 each;

(iv) the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account will be reduced to nil; and

(v) the credit arising from the Capital Reduction and the Share Premium Reduction be applied towards offsetting accumulated losses of the Company as at the effective date of the Capital Reorganisation, thereby reducing the accumulated losses of the Company and the balance of the credit (if any) will be credited to the contributed surplus account of the Company to be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

The Capital Reorganisation is conditional upon the fulfilment of the conditions as set out under the section headed "Conditions of the Capital Reorganisation" in this announcement.

PROPOSED RIGHTS ISSUE

The Company proposes, subject to, amongst others, the Capital Reorganisation becoming effective, to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date at the Subscription Price of HK$0.75 per Rights Share, to raise approximately HK$92.3 million by issuing 123,040,372 Rights Shares to the Qualifying Shareholders.

Qualifying Shareholders are entitled to apply for Rights Shares in excess of their respective entitlements under the Rights Issue.

The maximum gross and net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK$92.3 million and approximately HK$90.2 million respectively. The Company intends to apply the net proceeds from the proposed Rights Issue as to approximately (i) HK$69.1 million for repayment of the principal amount of the Loans; and (ii) HK$21.1 million for repayment of the outstanding interest of Loan B (up to 31 December 2025).

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

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong by 4:30 p.m. on Friday, 12 December 2025.

LISTING RULES IMPLICATIONS

Capital Reorganisation

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their respective associates had any interest in the Capital Reorganisation. Accordingly, no Shareholder is required to abstain from voting in favour of the resolutions relating to the Capital Reorganisation at the SGM.

Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the date of this announcement (taking into account the effect of the Capital Reorganisation), the Rights Issue is conditional upon the minority Shareholders' approval of at the SGM, and any controlling shareholders of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM.

As at the date of this announcement, First Steamship is a controlling shareholder of the Company which is interested in 518,066,538 Shares (comprising 473,869,283 Shares held by First Steamship and 44,197,255 Shares held by Grand Citi), representing approximately 42.1% of the issued share capital of the Company. As such, First Steamship (being a controlling shareholder of the Company) and its associates (including Grand Citi) shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM. No Shareholder has informed the Company that he/she/it intends to vote in favour of or against the proposed resolutions in connection with the Capital Reorganisation and the Rights Issue as at the date of this announcement.

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 circular containing, among other things, (i) details of the Capital Reorganisation; (ii) the Rights Issue and the transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (v) other information required under the Listing Rules; and (vi) the notice of the SGM, is expected to be despatched to the Shareholders on or before Friday, 14 November 2025.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

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

Shareholders and potential investors of the Company should note that the Capital Reorganisation are conditional upon satisfaction of conditions set out in the paragraph headed "Conditions of the Capital Reorganisation" in this announcement. Therefore, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares. Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation in the following manner:

(i) the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of par value of HK$0.10 each will be consolidated into one (1) Consolidated Share of par value of HK$1.00 (any fraction in the issued share capital of the Company which may arise from the Share Consolidation will be cancelled);

(ii) the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (b) cancelling the paid-up share capital of the Company to the extent of HK$0.90 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$1.00 to HK$0.10;

(iii) the Share Subdivision whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$1.00 each in the authorised share capital of the Company will be subdivided into ten (10) authorised but unissued Adjusted Shares of par value of HK$0.10 each;

(iv) the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account will be reduced to nil; and

(v) the credit arising from the Capital Reduction and the Share Premium Reduction be applied towards offsetting accumulated losses of the Company as at the effective date of the Capital Reorganisation, thereby reducing the accumulated losses of the Company and the balance of the credit (if any) will be credited to the contributed surplus account of the Company to be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

Effect of the Capital Reorganisation

As at the date of this announcement, the total authorised share capital of the Company is HK$1,000,000,000 divided into 10,000,000,000 Existing Shares of par value of HK$0.10 each, of which 1,230,403,725 Existing Shares have been issued and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted, issued or repurchased prior thereto, the issued share capital of the Company will be HK$123,040,372.00 divided into 123,040,372 Consolidated Shares of par value of HK$1.00 each.

A credit of approximately HK$110,736,334.80 will arise as a result of the Capital Reduction becoming effective which will be applied towards offsetting accumulated losses of the Company as at the effective date of Capital Reorganisation. As at the date of this announcement, the Company has a credit balance of approximately HK$62,408,000 standing in the Share Premium Account. The credits arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act and be applied in full to set off the accumulated losses of the Company or be applied by the Board in any other manner as may be permitted under the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders. The balance of the credit (if any) will be credited to the contributed surplus account to be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

Upon the Share Subdivision becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK$1.00 each will be subdivided into ten (10) authorised but unissued Adjusted Shares of par value of HK$0.10 each.

The following table sets out the effect of the Capital Reorganisation on the share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation:

	As at the date of this announcement	**Immediately upon the Share Consolidation becoming effective**	**Immediately upon the Capital Reorganisation becoming effective**
Par value	HK$0.10 per Existing Share	HK$1.00 per Consolidated Share	HK$0.10 per Adjusted Share
Authorised share capital	HK$1,000,000,000 divided into 10,000,000,000 Existing Shares	HK$1,000,000,000 divided into 1,000,000,000 Consolidated Shares	HK$1,000,000,000 divided into 10,000,000,000 Adjusted Shares
Issued and fully paid-up or credited as fully paid-up share capital	HK$123,040,372.50 divided into 1,230,403,725 Existing Shares	HK$123,040,372.00 divided into 123,040,372 Consolidated Shares	HK$12,304,037.20 divided into 123,040,372 Adjusted Shares
Unissued share capital	HK$876,959,627.50 divided into 8,769,596,275 Existing Shares	HK$876,959,628.00 divided into 876,959,628 Consolidated Shares	HK$987,695,962.80 divided into 9,876,959,628 Adjusted Shares

Note: The above share capital structure of the Company is for illustration purpose only.

The Adjusted Shares in issue immediately following the Capital Reorganisation becoming effective will rank pari passu in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders, save for any fractional Adjusted Shares which may arise. Fractional Adjusted Shares arising from the Capital Reorganisation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Adjusted Shares will be aggregated and, if possible, sold for the benefits of the Company. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Adjusted Share.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group.

The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

There are no options, warrants, derivatives or other convertible securities granted by the Company which confer rights to subscribe for, convert or exchange into Shares that are subsisting as at the date of this announcement.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

(i) the passing of the necessary resolution(s) by the Shareholders approving the Capital Reorganisation at the SGM;

(ii) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation;

(iii) the compliance with the relevant procedures and requirements under the Companies Act, the applicable laws of Bermuda, and the Listing Rules to effect the Capital Reorganisation; and

(iv) all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation having been obtained.

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

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Adjusted Shares arising from the Capital Reorganisation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular to be despatched to the Shareholders in respect of, among other things, the Capital Reorganisation, the Rights Issue and the transactions contemplated thereunder.

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

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Wednesday, 10 December 2025 until Tuesday, 20 January 2026 (both days inclusive), submit share certificates for the Existing Shares (in orange colour) to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Adjusted Shares (in light blue colour) (on the basis of ten (10) Existing Shares for one (1) Adjusted Share). Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Adjusted Shares, whichever the number of certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. Friday, 16 January 2026 (or such other date which may be announced by the Company) and will continue to be good evidence of legal title and may be exchanged for share certificates of the Adjusted Shares at any time in accordance with the foregoing.

Application for listing and dealings

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Adjusted Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

REASONS FOR THE CAPITAL REORGANISATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, pursuant to the requirements set out in "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited, the expected board lot value per board lot should be greater than HK$2,000 taking into account the minimum transaction costs for a securities trade.

In view of the fact that the Shares were trading at under HK$2,000 per board lot over the past six months (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation in order to comply with the trading requirements of the Listing Rules. The Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares and value per board lot. Currently, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. Upon the Capital Reorganisation becoming effective, the board lot size for trading in the Adjusted Shares will remain as 10,000 Adjusted Shares. Based on the closing price of HK$0.073 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of the Existing Shares is HK$730 and the theoretical value of each board lot of the Adjusted Shares, assuming the Capital Reorganisation has become effective, would be HK$7,300.

Upon the Share Consolidation becoming effective but before implementation of the Capital Reduction, the par value of the Existing Shares will be consolidated from HK$0.10 into HK$1.00 per Consolidated Share. The Share Consolidation will reduce the overall transaction and handling costs of dealings in the Existing Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge minimum transaction costs for each securities transaction.

Meanwhile, the Capital Reorganisation also involves the Capital Reduction which will reduce the par value of the issued Consolidated Shares from HK$1.00 per Consolidated Share to HK$0.10 per Adjusted Share. Under the Companies Act, the Company is restricted in its ability to issue Shares at a price lower than their par value. The Capital Reduction will reduce the par value of the Consolidated Shares, which will provide the Company with greater flexibility to accommodate the issue of new Adjusted Shares in the future when necessary.

Further, the credits in the contributed surplus account of the Company arising from the Capital Reduction and the Share Premium Reduction, which will enable the Company to set off against its accumulated losses (if any) in full or by the amount of such credits and may facilitate or be applied in any future distribution to the Shareholders or be applied in any other manner as the Board may deem fit as may be permitted under the applicable laws and the Bye-laws.

As at the date of this announcement, the Company has no intention to carry out other corporate action in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

In view of the above, the Board considers that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

The Company proposes, subject to, amongst others, the Capital Reorganisation becoming effective, to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share held on the Record Date at the Subscription Price of HK$0.75 per Rights Share, to raise approximately HK$92.3 million by issuing 123,040,372 Rights Shares to the Qualifying Shareholders.

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Adjusted Share held on the Record Date
Subscription Price	:	HK$0.75 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.73 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue at the date of this announcement	:	1,230,403,725 Existing Shares As at the date of this announcement, the Company had no treasury shares or repurchased shares pending cancellation.
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	123,040,372 Adjusted Shares (assuming there is no change in number of Shares in issue up to the effective date of the Capital Reorganisation)
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 123,040,372 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) with an aggregate nominal value of HK$12,304,037.20

Total number of Adjusted Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 246,080,744 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Rights of excess application	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the date of this announcement, the Company had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any Shares, convertible securities and/or options on or before the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date, other than the Capital Reorganisation becoming effective, the 123,040,372 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100.00% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective; and (ii) 50.00% of the total number of issued Adjusted Shares as enlarged by the allotment and issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

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

Subscription Price

The Subscription Price is HK$0.75 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a premium of approximately 2.7% over the adjusted closing price of HK$0.73 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK$0.073 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 9.0% to the adjusted average closing price of HK$0.824 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK$0.0824 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 11.5% to the adjusted average closing price of HK$0.847 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK$0.0847 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and

(iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 5.99%, represented by the theoretical diluted price of HK$0.801 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK$0.852 per Adjusted Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Adjusted Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the five (5) previous consecutive trading days prior to the date of this announcement and taking into account the effect of the Capital Reorganisation).

The Subscription Price was determined with reference to, among others, (i) the average closing price of the Shares after resumption of trading on 2 October 2025 and up to the date of this announcement; and (ii) the reasons for 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" in this announcement.

The Directors (excluding the independent non-executive Directors whose views are subject to the advice from the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market; and (ii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount of approximately 13.3% to the adjusted average closing price of HK$0.865 per Adjusted Shares after resumption of trading on 2 October 2025 and up to the date of this announcement (taking into account the effect of the Capital Reorganisation).

Non-underwritten basis

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 will be made available for excess application under the EAFs. There are no applicable statutory requirements under the laws of Bermuda regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue is not underwritten and has not set a minimum subscription amount, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. 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 for his/her/its assured entitlement under the Rights Issue or excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. In the event that (i) the general offer obligation under the Takeovers Code occurs, the number of Rights Shares to be allocated to the relevant Shareholder will be scaled down; and (ii) the Company's public float decreases to below 25%, the Rights Issue will be scaled down on pro-rata basis to all applicants of the Rights Issue. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares or excess Rights Shares will be refunded to the affected applicants.

If the Rights Issue is undersubscribed or scaled-down, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Conditions of the Rights Issue

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

(a) the Capital Reorganisation having become effective;

(b) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the SGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(c) the electronic delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong and the filing and registration with the Registrar in Hong Kong of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) not later than the Prospectus Posting Date;

(d) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;

(e) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

(f) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before the respective time stipulated therein, the Rights Issue will not proceed.

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

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Non-Qualifying Shareholders. 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.

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 a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong by 4:30 p.m. on Friday, 12 December 2025.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below. As at the date of this announcement, there are 16 Overseas Shareholders with registered addresses situated in Taiwan and the United States of America.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The basis for excluding the Non-Qualifying Shareholders(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus (without the PAL and the EAF) and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to the Non-Qualifying Shareholders for their information only.

Arrangements will be made for 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, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

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

Closure of register of members

The register of members of the Company will be closed from Monday, 15 December 2025 to Friday, 19 December 2025 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotment

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

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Arrangement on odd lot trading

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, the Company will appoint an agent 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 Wednesday, 24 December 2025 to 4:00 p.m. on Friday, 16 January 2026 (both dates inclusive). Holders of the Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker during such period. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the arrangement of odd lot trading will be set out in the Prospectus.

No fractional entitlements to the Rights Shares

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

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank pari passu in all respects among themselves and with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 16 January 2026. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 16 January 2026 by ordinary post to the applicants at their own risk, to their registered addresses.

Application for excess Rights Shares

Under the proposed Rights Issue, Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Non-Qualifying Shareholder; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Thursday, 8 January 2026.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis 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 under each application;

(ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;

(iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and

(iv) 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 shareholder 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.

Shareholders with their Shares 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, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by no later than 4:30 p.m. on Friday, 12 December 2025. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the same board lot size as the Shares.

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

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.

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 Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

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

The Group is principally engaged in (i) trading and manufacturing of media entertainment platform related products; (ii) trading and manufacturing of components of audio and video electronic products; and (iii) trading and manufacturing of satellite TV equipment and antenna products.

As disclosed in the interim results announcement of the Company for the six months ended 30 June 2025 (the "**2025 Interim Results Announcement**"), as at 30 June 2025, the Group reported net liabilities of approximately HK$114.1 million and net current liabilities of approximately HK$271.3 million. The bank and other borrowing of the Group amounted to approximately HK$346.9 million (the "**Outstanding Loans**"), out of which approximately HK$213.5 million fell under current liabilities. The effective interest rates of the Outstanding Loans ranged between 2.0% and 12.0% per annum. For the year ended 31 December 2024, the Group incurred finance costs of approximately HK$29.4 million.

Among the Outstanding Loans, Loan A and Loan B have the highest interest rates of 12.0% and 9.0% (or the prime rate as quoted by Standard Chartered Bank + 3.0%, whichever is higher) per annum respectively. As at the date of this announcement, the outstanding principal amounts of Loan A and Loan B amounted to US$1 million (equivalent to approximately HK$7.8 million) and US$20 million (equivalent to approximately HK$156 million) respectively. The overdue interest of Loan B amounted to approximately HK$17.6 million (up to 30 September 2025) and there were no outstanding interest for Loan A. The Company had been in discussion with Lender B regarding a repayment plan of Loan B and its outstanding interest. On 10 September 2025, subject to repayment of the outstanding interest, Lender B has agreed to extend the repayment date of the outstanding principal amount of Loan B from 23 April 2025 to 22 April 2027. Loan A will be due on 11 August 2026.

Although Lender B has conditionally agreed to extend the repayment date of the outstanding principal amount of Loan B to 22 April 2027 and Loan A will be due on 11 August 2026, taking into account that (i) the Company has overdue and unpaid interest of Loan B of approximately HK$17.6 million (up to 30 September 2025) as the Company has decided to reserve cash resources for the business operation of the Group; and (ii) the monthly interest payment of the Loans will continue to have a significant adverse impact on the operating cash flow of the Group if the principal amounts of the Loans are not repaid, the Company considers that it is financially prudent for the Company to raise capital to pay down the outstanding principal amount of the Loans as soon as practicable.

The maximum gross and net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK$92.3 million and approximately HK$90.2 million respectively. The Company intends to apply the net proceeds from the Rights Issue as follows:

a) approximately HK$69.1 million for repayment of the principal amount of the Loans (HK$7.8 million for Loan A and HK$61.3 million for Loan B); and

b) approximately HK$21.1 million for repayment of the outstanding interest of Loan B (up to 31 December 2025).

After the repayment, the outstanding principal amount of Loan A and Loan B will be reduced to nil and HK$94.7 million respectively. It is estimated that the finance costs of the Group will be reduced by approximately HK$6.5 million per annum, and the financial position of the Group will also improve with the net current liabilities and net liabilities reducing to approximately HK$181.1 million and HK$23.9 million respectively (based on the financials of the Group as at 30 June 2025).

As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds of the Rights Issue cannot be ascertained at this point. 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 net proceeds from the Rights Issue will be applied in the following order of priority: (i) for repayment of outstanding interest of Loan B; and (ii) for repayment of the principal amount of Loan A and then Loan B. The net proceeds are expected to be utilised immediately after completion of the Rights Issue. 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 realise investments on hands, as and when appropriate.

The Company has considered other fundraising alternatives before resolving to proceed with the proposed Rights Issue, including but not limited to debt financing, a placing of new Shares and an open offer. For debt financing, in light of the loss-making position of the Group for the years ended 31 December 2023 and 2024 and for the six months ended 30 June 2025, coupled with its net current liabilities and net liabilities position of the Group, it is difficult and unlikely for the Group to secure loans with a favourable interest rate. Furthermore, placings of new Shares would dilute the interests of Shareholders without providing them an opportunity to participate in the exercise. While an open offer was also considered, the Rights Issue is preferable as it enables the Shareholders to sell the nil-paid rights in the market. Consequently, the Rights Issue is considered the most appropriate method, since it provides the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

In view of the above, the Board considers that the terms of the Rights Issue are fair and reasonable and the fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the date of completion of the Rights Issue, the shareholding structure of the Company (i) as at the date of the announcement; (ii) immediately after the Capital Reorganisation; (iii) immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders and no application for excess Rights Shares under the Rights Issue; and (iv) immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming full acceptance by all connected persons of the Company only and no application for excess Rights Shares under the Rights Issue:

Shareholders	As at the date of this announcement		Immediately after the Capital Reorganisation		Immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders and no application for excess Rights Shares under the Rights Issue		Immediately after the Capital Reorganisation and upon the completion of the Rights Issue assuming full acceptance by all connected persons of the Company only and no application for excess Rights Shares under the Rights Issue *(Note 4)*	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
First Steamship	473,869,283	38.5	47,386,928	38.5	94,773,856	38.5	94,773,856	45.7
Grand Citi	44,197,255	3.6	4,419,725	3.6	8,839,450	3.6	8,839,450	4.2
First Steamship and its associates *(Note 1)*	518,066,538	42.1	51,806,653	42.1	103,613,306	42.1	103,613,306	49.9
Metroasset Investments Limited *(Note 2)*	140,000,000	11.4	14,000,000	11.4	28,000,000	11.4	28,000,000	13.5
Legacy Trust Company Limited *(Note 3)*	187,118,394	15.2	18,711,839	15.2	37,423,678	15.2	37,423,678	18.0
Public Shareholders	385,218,793	31.3	38,521,879	31.3	77,043,758	31.3	38,521,879	18.6
Total	**1,230,403,725**	**100.00**	**123,040,372**	**100.00**	**246,080,744**	**100.00**	**207,558,865**	**100.00**

Note 1: Grand Citi is an indirectly non-wholly owned subsidiary of First Steamship. As at the date of this announcement, Henghua Investment Co., Ltd. is the single largest shareholder of First Steamship, holding approximately 6.92% of the issued shares of First Steamship.

Note 2: These Shares are held by Metroasset Investments Limited, 45.09%, 44.38% and 10.53% of the issued share capital of which are beneficially owned by Mr. Hung Tsung Chin (an executive Director), Ms. Chen Mei Huei (spouse of Mr. Hung) and Mr. Hung Chih Chun (son of Mr. Hung) respectively.

Note 3: To the best knowledge, information and belief of the Directors, these Shares are held by Legacy Trust Company Limited, which is wholly owned by Mr. Vincent Chok.

Note 4: In the event that (i) the general offer obligation under the Takeovers Code occurs, the number of Rights Shares to be allocated to the relevant Shareholder will be scaled down; and (ii) the Company's public float decreases to below 25%, the Rights Issue will be scaled down on pro-rata basis to all applicants of the Rights Issue.

Note 5: Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not conduct any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Capital Reorganisation and the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Expected Timetable	**2025**
Announcement of the Capital Reorganisation and the Rights Issue	Friday, 24 October
Expected despatch date of circular together with notice and the form of proxy for the SGM	Friday, 14 November
Latest time and date for lodging transfers document in order to qualify for attendance and voting at the SGM	4:30 p.m. on Monday, 1 December
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM (both dates inclusive)	Tuesday, 2 December to Monday, 8 December
Latest time for lodging proxy forms for the SGM	3:00 p.m. on Saturday, 6 December
Record date for attendance and voting at the SGM	Monday, 8 December

Expected Timetable	**2025**
Expected date and time of the SGM	3:00 p.m. on Monday, 8 December
Announcement of the poll result of the SGM	Monday, 8 December
Register of members re-opens	Tuesday, 9 December

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Capital Reorganisation and the Rights Issue and therefore the dates are tentative only:

Effective date of the Capital Reorganisation	Wednesday, 10 December
Commencement of dealings in the Adjusted Shares	9:00 a.m. on Wednesday, 10 December
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 10 December
Temporary counter for trading in board lots of 1,000 Adjusted Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 10 December
First day of free exchange of existing share certificates for new share certificates for the Adjusted Shares	Wednesday, 10 December
Last day of dealings in Shares on a cum-rights basis relating to the Rights Issue	Wednesday, 10 December
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Thursday, 11 December
Latest time for lodging transfer of the Adjusted Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 12 December

Expected Timetable	**2025**
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	Monday, 15 December to Friday,19 December
Record Date for determining entitlements to the Rights Issue	Friday, 19 December
Expected despatch date of the Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only)	Monday, 22 December
Register of members of the Company re-opens	Monday, 22 December
Designated broker starts to stand in the market to provide matching services for odd lots of the Adjusted Shares	9:00 a.m. on Wednesday, 24 December
Original counter for trading in the Adjusted Shares in board lots of 10,000 Adjusted Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 24 December
Parallel trading in the Adjusted Shares (in the form of both existing share certificates in board lots of 1,000 Adjusted Shares and new share certificates in board lots of 10,000 Adjusted Shares) commences	9:00 a.m. on Wednesday, 24 December
First day of dealing in nil paid Rights Shares in board lot of 10,000 Adjusted Shares	Wednesday, 24 December
Latest time for splitting of PAL	4:30 p.m. on Tuesday, 30 December
Expected Timetable	**2026**
Last day of dealing in nil-paid Rights Shares in board lot of 10,000 Adjusted Shares	Monday, 5 January

Expected Timetable	**2026**
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Thursday, 8 January
Announcement of allotment results	Thursday, 15 January
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for excess Rights Shares	Friday, 16 January
Designated broker ceases to provide matching services for odd lots of the Adjusted Shares	4:00 p.m. on Friday, 16 January
Temporary counter for trading in board lots of 1,000 Adjusted Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 16 January
Parallel trading in Adjusted Shares (represented by both existing share certificates in board lots of 1,000 Adjusted Shares and new share certificates in board lots of 10,000 Adjusted Shares) ends	4:10 p.m. on Friday, 16 January
Expected first day of dealing in fully-paid Rights Shares	Monday, 19 January
Last day for free exchange of existing share certificates for new share certificates for the Adjusted Shares	Tuesday, 20 January

All times and dates stated above refer to Hong Kong local times and dates. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

(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 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 for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force 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 the currently scheduled date, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

LISTING RULES IMPLICATIONS

Capital Reorganisation

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their respective associates had any interest in the Capital Reorganisation. Accordingly, no Shareholder is required to abstain from voting in favour of the resolutions relating to the Capital Reorganisation at the SGM.

Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement (taking into account the effect of the Capital Reorganisation), the Rights Issue is conditional upon the minority Shareholders' approval of at the SGM, and any controlling shareholders of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM.

As at the date of this announcement, First Steamship is a controlling shareholder of the Company which is interested in 518,066,538 Shares (comprising 473,869,283 Shares held by First Steamship and 44,197,255 Shares held by Grand Citi), representing approximately 42.1% of the issued share capital of the Company. As such, First Steamship (being a controlling shareholder of the Company) and its associates (including Grand Citi) shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM. No Shareholder has informed the Company that he/she/it intends to vote in favour of or against the proposed resolutions in connection with the Capital Reorganisation and the Rights Issue as at the date of this announcement.

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 has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wu Chia Ming, Ms. Chen Wei-Hui and Mr. Lu Ming-Shiuan, to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, the Capital Reorganisation, the Rights Issue and the transactions contemplated thereunder, in accordance with the Listing Rules.

The circular containing, among other things, (i) details of the Capital Reorganisation; (ii) the Rights Issue and the transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (v) other information required under the Listing Rules; and (vi) the notice of the SGM, is expected to be despatched to the Shareholders on or before Friday, 14 November 2025.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

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

Shareholders and potential investors of the Company should note that the Capital Reorganisation are conditional upon satisfaction of conditions set out in the paragraph headed "Conditions of the Capital Reorganisation" in this announcement. Therefore, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares. Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

DEFINITIONS

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

"Adjusted Share(s)"	the ordinary share(s) of par value of HK$0.10 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
"AFRC"	the Accounting and Financial Reporting Council in Hong Kong
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	any day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or "black" rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Bye-laws"	the bye-laws of the Company as amended from time to time
"Capital Reduction"	the proposed reduction of the issued share capital of the Company by reducing the par value of each issued Consolidated Share from HK$1.00 to HK$0.10 by cancelling the paid-up share capital to the extent of HK$0.90 on each issued Consolidated Share and the cancellation of any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation immediately after the Share Consolidation

"Capital Reorganisation"	the proposed capital reorganisation of the share capital of the Company involving (i) the Share Consolidation, (ii) the Capital Reduction, (iii) the Share Sub-division, (iv) the Share Premium Reduction, and (v) the transfer of all the credits arising from the Capital Reduction and Share Premium Reduction to the contributed surplus account of the Company within the meaning of the Companies Act which will be applied to reduce the accumulated losses of the Company and be applied by the Board in any other manner in accordance with the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies Act"	the Companies Act 1981 of Bermuda, as amended from time to time
"Company"	Sandmartin International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 482)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consolidated Share(s)"	the ordinary share(s) of par value of HK$1.00 each in the share capital of the Company immediately after the Share Consolidation but prior to the Capital Reduction and the Share Subdivision
"Director(s)"	the director(s) of the Company
"EAF(s)"	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares

"Existing Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company prior to the Capital Reorganisation having become effective
"First Steamship"	First Steamship Company Limited, the issued shares of which are listed on the Taiwan Stock Exchange and a controlling shareholder of the Company
"Grand Citi"	Grand Citi Limited, an indirectly non-wholly owned subsidiary of First Steamship
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, Mr. Wu Chia Ming, Ms. Chen Wei-Hui and Mr. Lu Ming-Shiuan, which has been established to give recommendation to the Independent Shareholders in respect of the Rights Issue, and as to the voting action therefor
"Independent Financial Adviser"	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
"Independent Shareholders"	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules

"Independent Third Party(ies)"	third party(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent of and not connected with the Company and its connected persons or any of their respective associates
"Last Trading Day"	24 October 2025, being the last full trading day of the Shares on the Stock Exchange prior to the release of this announcement
"Latest Time for Acceptance"	4:00 p.m. on 8 January 2026 (or such other time and date as may be determined by the Company), being the latest time for the acceptance of, and payment for, the Rights Shares
"Lender A"	the lender (an Independent Third Party) of Loan A
"Lender B"	the lender (an Independent Third Party) of Loan B
"Listing Committee"	has the meaning ascribed to it in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan A"	the loan with an outstanding principal amount of US$1 million provided by Lender A to the Company
"Loan B"	the loan with an outstanding principal amount of US$20 million provided by Lender B to the Company
"Loans"	Loan A and Loan B
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a 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 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 renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
"Prospectus"	the prospectus to be despatched to the Shareholders by the Company containing details of the proposed Rights Issue
"Prospectus Documents"	the Prospectus, the PAL and the EAF
"Prospectus Posting Date"	22 December 2025, or such other date as the Company may determine, for the despatch of the Prospectus Documents
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
"Record Date"	19 December 2025, or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
"Registrar"	the share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
"Rights Issue"	the proposed issue by way of rights on the basis of one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders 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)"	Shares to be issued and allotted under the proposed Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share in issue on the Record Date, being up to 123,040,372 Shares based on the Company's issued share capital as at the date of this announcement
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"SGM"	a special general meeting of the Company to be convened to consider and, if thought fit, to approve, among other things, the Capital Reorganisation, the Rights Issue, and the transactions contemplated thereunder
"Share(s)"	the Existing Share(s), the Consolidated Share(s) and/or the Adjusted Share(s), as the case may be
"Share Consolidation"	the proposed consolidation of every ten (10) Existing Shares of par value of HK$0.10 each into one (1) Consolidated Share of par value of HK$1.00 in the share capital of the Company
"Share Premium Account"	the share premium account of the Company
"Share Premium Reduction"	the proposed reduction of the entire amount standing to the credit of the Share Premium Account to nil
"Share Subdivision"	the proposed subdivision of each authorised but unissued Consolidated Share of par value of HK$1.00 into ten (10) Adjusted Shares of par value of HK$0.10 each
"Shareholder(s)"	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription Price"	the subscription price of HK$0.75 per Rights Share
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
"US$"	United States dollars, the lawful currency of the United States of America
"%"	percentage

By order of the Board
Sandmartin International Holdings Limited
Kuo Jen Hao
Chairman

Hong Kong, 24 October 2025

As at the date of this announcement, the directors of the Company are:

Executive Directors
Mr. Hung Tsung Chin and Mr. Chen Wei Chun

Non-Executive Director
Mr. Kuo Jen Hao *(Chairman)*

Independent Non-Executive Directors
Mr. Wu Chia Ming, Ms. Chen Wei-Hui and Mr. Lu Ming-Shiuan

* *For identification purposes only*