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Shun Wo Group Holdings Limited
汎和集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1591)

(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (2) CLOSURE OF REGISTER OF MEMBERS

Financial adviser to the Company



WRise Capital Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK$18.67 million (assuming full subscription under the Rights Issue) by way of issuing up to 133,333,333 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK$0.14 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is available only to the Qualifying Shareholders and will not be available to the Excluded Shareholders (if any).

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the existing Shares 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 on or after the date of allotment of the Rights Shares in their fully-paid form.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

The estimated maximum gross proceeds and net proceeds (after deducting the relevant expenses) of the Rights Issue, if fully subscribed, will be up to approximately HK$18.67 million and HK$17.92 million respectively (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue towards the acquisition of plant and machinery for the Group, as well as for the general working capital of the Group.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 31 December 2025 to Thursday, 8 January 2026 (both days inclusive) for the purpose of determining the entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

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 Rights Issue will not increase the issued share capital 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 the shareholder's approval pursuant to Rule 7.19A of the Listing Rules.

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

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Friday, 9 January 2026. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.swgrph.com) and the Stock Exchange (www.hkexnews.hk). To the extent permitted under the relevant laws and regulations and reasonably practicable, the Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders (if any) for their information purpose only. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders (if any).

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

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder or other person dealing in the Shares and/or Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded 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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. 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.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of up to approximately HK$18.67 million (assuming full subscription under the Rights Issue) by way of issuing up to 133,333,333 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK$0.14 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders at the close of business on 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 Excluded Shareholders (if any).

Further details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.14 per Rights Share
Number of Shares in issue as at the date of this announcement	:	400,000,000 Shares
Number of Rights Shares to be issued	:	up to 133,333,333 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)

Aggregate nominal value of the maximum number of Rights Shares to be issued	:	HK$13,333,333.3 (assuming no change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue immediately upon completion of the Rights Issue	:	533,333,333 Shares (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)
Net subscription price per Rights Share (i.e. maximum net proceeds to be raised from the Rights Issue divided by the maximum number of Rights Shares to be issued)	:	approximately HK$0.134 per Rights Share (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)
Gross proceeds to be raised from the Rights Issue before expenses	:	up to approximately HK$18.67 million (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)
Net proceeds to be raised from the Rights Issue after expenses	:	up to approximately HK$17.92 million (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares will be allotted and issued on or before completion of the Rights Issue, the 133,333,333 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) approximately 33.33% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 25.00% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares (assuming full subscription under the Rights Issue).

As at the date of this announcement, the Company (i) has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares; and (ii) has no treasury Shares or repurchased Shares pending cancellation.

The Subscription Price

The Subscription Price is HK$0.14 per Rights Share, which shall be payable in full (a) by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and/or upon application for Excess Rights Share(s); or (b) when a transferee of the nil-paid Rights Share(s) applies for the relevant Rights Share(s).

The Subscription Price represents:

(i) a discount of approximately 6.7% to the closing price of HK$0.150 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 3.4% to the average closing price of approximately HK$0.145 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 3.4% to the average closing price of approximately HK$0.145 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 1.67%, which is calculated based on the theoretical diluted price of approximately HK$0.148 per Share to the benchmarked price of HK$0.150 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of HK$0.150 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average of the closing price of approximately HK$0.145 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day);

(v) a discount of 60.0% to the latest published audited consolidated net asset value per Share attributable to the Shareholders as at 31 March 2025 of approximately HK$0.35 (based on the consolidated net asset value of the Group attributable to the Shareholders as at 31 March 2025 of approximately HK$140.02 million as disclosed in the 2025 annual report of the Company published on 28 July 2025 and 400,000,000 Shares in issue as at the date of this announcement); and

(vi) a discount of approximately 54.8% to the latest published unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 September 2025 of approximately HK$0.31 (based on the unaudited consolidated net asset value of the Group attributable to the Shareholders as at 30 September 2025 of approximately HK$123.75 million as disclosed in the interim results announcement of the Company published on 27 November 2025 and 400,000,000 Shares in issue as at the date of this announcement).

The net subscription price per Rights Share (i.e. maximum net proceeds to be raised from the Rights Issue divided by the maximum number of Rights Shares to be issued) upon full subscription under the Rights Issue will be approximately HK$0.134.

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

The Subscription Price was determined with reference to, among other things, (i) the prevailing market price of the Shares as quoted on the Stock Exchange; and (ii) latest business performance and financial position of the Group.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, 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, 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 Shares in the market; and (ii) the proposed Rights Issue allows the Qualifying Shareholders an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company.

Non-underwritten Basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares and unsold aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Qualifying Shareholder(s) who apply 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 Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying 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 Qualifying 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%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, and 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.

Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded 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 the following conditions being fulfilled:

(i) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in both nil-paid and full-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 the Prospectus Documents and other documents no later than the Prospectus Posting Date in compliance with the Listing Rules and the Companies (WUMP) Ordinance; and

(iii) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date.

All the conditions set out above cannot be waived. If any of the above conditions are not fulfilled on or prior to the respective time stipulated therein, the Rights Issue will not proceed. As at the date of this announcement, none of the above conditions has been fulfilled.

If any of the conditions referred to above is not fulfilled by Monday, 26 January 2026, the Rights Issue will not proceed.

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and issued and fully-paid, shall rank *pari passu* in all respects with the existing Shares 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 on or after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar for registration by no later than the Latest Time for Transfer (i.e., 4:30 p.m. on Tuesday, 30 December 2025 (Hong Kong time)).

Beneficial owners whose Shares are held by nominees (or held in CCASS) should note that the Board will regard a nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominees (or held 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 Latest Time for Transfer. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.swgrph.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders (if any).

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company apart from any nominal dilution resulting from the non-issuance of fractional Rights Shares.

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 may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Rights of the Overseas Shareholder(s)

The Prospectus Documents to be issued in connection with the Rights Issue are not intended to be, have not been, and will not be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder(s). Such Overseas Shareholders will be regarded as Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

As at the date of this announcement, based on the register of members of the Company, there is one Overseas Shareholder, namely May City (being a controlling Shareholder), with registered address located in the BVI. May City is interested in 204,000,000 Shares, representing 51% of the total issued share capital of the Company. Taking into account the advice provided by legal adviser in the BVI, the Directors are of the view that the relevant BVI legal restrictions and requirements of the regulatory body or stock exchange in the BVI do not make it necessary or expedient to exclude May City, the Overseas Shareholder with registered addresses located in the BVI, from the Rights Issue. Therefore, May City is not an Excluded Shareholder and the Rights Issue will be extended to it. Save for May City, there were no other Overseas Shareholders based on the register of members of the Company as at the date of this announcement.

Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should note that they may or may not be able to participate in the Rights Issue, subject to the results of enquiries made by the Company pursuant to the notes 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 laws or other laws or regulations of any territory or jurisdiction. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares and/or Rights Shares in nil-paid form.

Excluded Shareholder(s) (if any)

The Company will not extend the Rights Issue to the Excluded Shareholders, if any. Accordingly, no provisional allotment of the Rights Shares will be made to the Excluded Shareholders and the Excluded Shareholders will not be entitled to apply for the Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form 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, above HK$100 will be distributed by the Company to the relevant Excluded 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 the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

The Prospectus Documents, together with the PAL and EAF, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders only and to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations. The Prospectus (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information only. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

No fractional entitlement to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares in nil-paid form. 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 under the EAFs 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 their 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

All Qualifying Shareholders are entitled to apply, by way of excess application under the EAFs, for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

(i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not 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 Excluded Shareholders;

(iii) any Rights Shares created from the aggregation of unsold fractions of Rights Shares not provisionally allotted to the Qualifying Shareholders; and

(iv) any Rights Shares which would otherwise be allotted but subject to scale down (as described in the paragraph headed "Non-underwritten basis" hereinabove).

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance 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, 23 January 2026.

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

Subject to any scaling down of subscriptions, the Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

(i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders; and

(ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the beneficial owners individually. Beneficial owners whose Shares are held by a nominee (or held through CCASS) are advised to consider whether they would like to arrange for the registration of their Shares in their own names on or prior to the Latest Time for Transfer.

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

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Monday, 2 February 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. Refund cheques (without interest) in respect of wholly or partially unsuccessful applications for Excess Rights Shares, or for refunds in the event that the Rights Issue does not become unconditional, are expected to be posted on or before Monday, 2 February 2026 by ordinary post to the respective applicants at their registered addresses, at their own risk.

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 nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid Rights Shares and the fully-paid Rights Shares will be traded in the board lot size of 20,000 Shares.

Stamp duty and other applicable fees

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

Irrevocable undertaking

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

Taxation

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

Rights Shares will be eligible for admission into CCASS

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

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

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below, which is for indicative purposes only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Events	**Hong Kong date and time**
Date of this announcement	Friday, 12 December 2025
Last day of dealings in Shares on a cum-rights basis	Wednesday, 24 December 2025
Commencement of dealings in Shares on an ex-rights basis	Monday, 29 December 2025
Latest time for lodging transfer of Shares to qualify for the Rights Issue	4:30 p.m. on Tuesday, 30 December 2025
Closure of register of members for determination of Shareholder's entitlements for the Rights Issue (both dates inclusive)	Wednesday, 31 December 2025 to Thursday, 8 January 2026
Record Date	Thursday, 8 January 2026
Register of members re-opens	Friday, 9 January 2026
Despatch of Prospectus Documents (including the PAL, EAF and the Prospectus) (in case of the Excluded Shareholders, the Prospectus only)	Friday, 9 January 2026
First day of dealings in nil-paid Rights Shares	Tuesday, 13 January 2026

Latest time for splitting of PALs ..... 4:30 p.m. on Thursday, 15 January 2026

Last day of dealings in nil-paid Rights Shares ..... Tuesday, 20 January 2026

Latest time for acceptance of and payment for the Rights Shares and the application and payment for Excess Rights Shares ..... 4:00 p.m. on Friday, 23 January 2026

Latest time for the Rights Issue to become unconditional ..... 4:00 p.m. on Monday, 26 January 2026

Announcement of the allotment results of the Rights Issue ..... Friday, 30 January 2026

Despatch of share certificates for fully-paid Rights Shares and refund cheques, if any, in relation to wholly or partially unsuccessful application for excess Rights Shares..... Monday, 2 February 2026

Commencement of dealings in fully-paid Rights Shares..... 9:00 a.m. on Tuesday, 3 February 2026

Designated broker commences to provide matching services for odd lots of Shares ..... 9:00 a.m. on Tuesday, 3 February 2026

Designated broker ceases to provide matching services for odd lots of Shares ..... 4:00 p.m. on Friday, 20 February 2026

All times and dates in this announcement refer to Hong Kong local times and dates.

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

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS

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 signal and/or "extreme conditions" as announced by the Government of Hong Kong:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance 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 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. in Hong Kong.

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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 31 December 2025 to Thursday, 8 January 2026 (both days inclusive) for the purpose of determining the entitlements to the Rights Issue.

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

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

The Company is an investment holding company. The principal businesses of the Group are foundation industry, specialising in excavation and lateral support works, socketed H-piling and mini-piling works and pile caps construction works.

The estimated maximum gross proceeds and net proceeds (after deducting the relevant expenses) of the Rights Issue, if fully subscribed, will be up to approximately HK$18.67 million and HK$17.92 million respectively (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue as follows:

(i) approximately HK$4.00 million, representing approximately 22.3% of the net proceeds, for the acquisition of plant and machinery for the Group, including excavators and air compressors; and

(ii) approximately HK$13.92 million, representing approximately 77.7% of the net proceeds, for the general working capital of the Group.

Acquisition of plant and machinery

Approximately HK$4.00 million of the net proceeds is allocated to acquiring new construction equipment, specifically hydraulic excavators and air compressors. Almost half of the Group's existing fleet of heavy machinery was predominantly acquired before 2019 and is gradually becoming obsolete. Replenishing the fleet with modern equipment will enhance operational efficiency and productivity on project sites. In addition, the investment in owned machinery is expected to reduce long-term rental costs, as the Group will rely less on hiring third-party equipment for its foundation projects.

Enhancing general working capital

Approximately HK$13.92 million of the net proceeds will be applied towards the Group's general working capital. This funding is intended to strengthen the Group's liquidity and overall financial position in view of recent performance and the working capital demands of ongoing projects. The Group incurred a net loss of about HK$5.7 million for the year ended 31 March 2025, a sharp reversal from a net profit of approximately HK$39.5 million in the prior year. Furthermore, the Group's losses have continued to deepen in the current financial year. For the six months ended 30 September 2025, the Group recorded a net loss of approximately HK$16.3 million (versus a net loss of about HK$5.1 million in the same period in 2024). These figures reflect the challenging market conditions in the foundation construction industry and underscore the need to bolster working capital to support the Group's operations. As at 30 September 2025, the Group had cash and bank balances of approximately HK$69.8 million, against current liabilities totalling about HK$55.3 million. Included in these liabilities were trade and other payables of around HK$35.4 million and contract liabilities of roughly HK$18.9 million. It is noted that the Group's trade payables turnover has shortened recently because key suppliers are demanding earlier settlement of invoices, which puts pressure on the Group's short-term cash flow. The contract liabilities mainly represent project-related obligations (such as potential liquidated damages or advance billings), which will only materialise upon final agreements with developers. Although these contract liabilities are not immediately due, they must be provisioned and can restrict the Group's flexible use of funds in the interim. Moreover, in the foundation construction business, projects typically entail high initial input costs for materials, labour, and equipment long before those projects generate corresponding revenue. Project revenue is usually recognised only at certain milestones or upon project completion, resulting in a timing mismatch — substantial cash outlays occur upfront, while inflows are deferred. This industry dynamic amplifies the importance of maintaining a healthy level of working capital. By allocating approximately HK$13.92 million to general working capital, the Group aims to ensure it has sufficient financial resources to meet ongoing obligations, bridge the gap between project expenditures and revenue collection, and sustain its operations amidst the current competitive and challenging environment.

In summary, the Board believes that the above allocation of proceeds will enable the Group to upgrade essential equipment for its construction projects and fortify its working capital position. This prudent use of funds is expected to enhance the Group's operational efficiency and financial resilience, which is in the overall interests of the Company and its Shareholders.

In the event that there is an undersubscription of the Rights Issue, the net proceeds raised will first be applied to the acquisition of plant and machinery for the Group (approximately HK$4.00 million), with the balance applied to the general working capital of the Group. If the net proceeds raised from the Rights Issue amount to less than HK$4.00 million, the entire amount will be allocated solely towards the acquisition of plant and machinery for the Group. Further details of the use of proceeds will be disclosed by the Company in the announcement of results of the Rights Issue.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. Debt financing would expose the Group to a huge liquidity risk, especially when there are any unforeseen economic downturns and the additional finance costs would also affect the Group's financial performance. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board (including the independent non-executive Directors) considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings may be diluted, the extent of which will depend in part on the size of the Rights Issue.

As at the date of this announcement, save as disclosed herein, the Company (i) did not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; (ii) had no other plan or intention to carry out any future corporate actions in the next twelve months; and (iii) did not have any concrete fundraising plan for the upcoming twelve months.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders:

Name of Shareholders	**As at the date of this announcement**		**Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders**	
	Number of Shares	*%*	*Number of Shares*	*Approximate %*
Substantial Shareholder				
— May City *(Notes 1, 2 & 3)*	204,000,000	51	272,000,000	51
Public Shareholders	196,000,000	49	261,333,333	49
Total	400,000,000	100	533,333,333	100

Notes:

1. As at the date of this announcement, these 204,000,000 Shares are held by May City, the entire issued share capital of which is owned as to 70% by Mr. Wong Yan Hung and 30% by Mr. Wong Tony Yee Pong. Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong have had a mutual understanding all along to jointly control the Group and thus they are presumed to be acting in concert (within the meaning of the Takeovers Code). Therefore, each of Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong is deemed or taken to be interested in all the Shares held by May City for the purposes of the SFO. Each of Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong is a director of May City.

2. Ms. Choi Mei Chu is the spouse of Mr. Wong Yan Hung and is deemed or taken to be interested in all the Shares in which Mr. Wong Yan Hung has, or is deemed to have, an interest for the purposes of the SFO.

3. Ms. Lee Pik Yu, Kenji is the spouse of Mr. Wong Tony Yee Pong and is deemed or taken to be interested in all the Shares in which Mr. Wong Tony Yee Pong has, or is deemed to have, an interest for the purposes of the SFO.

EQUITY FUND RAISING EXERCISE IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity involving issue of equity securities in the past twelve months immediately preceding 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 Rights Issue will not increase the issued share capital 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 the shareholder's approval pursuant to Rule 7.19A of the Listing Rules.

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

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Friday, 9 January 2026. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.swgrph.com) and the Stock Exchange (www.hkexnews.hk). To the extent permitted under the relevant laws and regulations and reasonably practicable, the Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders (if any) for their information purpose only. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders (if any).

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

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder or other person dealing in the Shares and/or Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded 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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. 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.

"AFRC"	the Accounting and Financial Reporting Council
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the "extreme conditions" is announced by the Government of Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
"Company"	Shun Wo Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose ordinary Shares are listed on the Main Board of the Stock Exchange (stock code: 1591)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"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 the Excess Rights Shares
"ES Unsold Rights Share(s)"	any Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form
"Excess Rights Share(s)"	any Unsubscribed Rights Shares, any ES Unsold Rights Shares, and any Rights Shares created from the aggregation of fractions

"Excluded Shareholder(s)"	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Last Trading Day"	Friday, 12 December 2025, being the date of this announcement and the last full 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, 23 January 2026, or such other time or date as may be determined by the Company, 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
"Latest Time for Transfer"	4:30 p.m. on Tuesday, 30 December 2025, or such other date as the Company may determine, being the latest time for lodging transfer of Shares prior to the closure of the register of members of the Company in order to qualify for the Rights Issue
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"May City"	May City Holdings Limited (美城控股有限公司), a company incorporated in the BVI with limited liability and a controlling Shareholder
"Overseas Shareholder(s)"	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are 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

''Prospectus''	the prospectus to be issued by the Company containing details of the Rights Issue
''Prospectus Documents''	collectively, the Prospectus, the PAL and the EAF to be issued by the Company
''Prospectus Posting Date''	Friday, 9 January 2026, or such other date as the Company may determine, being the date on which the Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
''Qualifying Shareholder(s)''	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
''Record Date''	Thursday, 8 January 2026 or such other date as may be determined by the Company, being the date by reference to which the Shareholders' entitlements to participate in the Rights Issue will be determined
''Registrar''	Boardroom Share Registrars (HK) Limited, the Company's branch share registrar and transfer office in Hong Kong, at Room 2103B, 21/F 148 Electric Road North Point Hong Kong
''Rights Issue''	the proposed issue by the Company of the Rights Shares by way of rights on the basis of one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price
''Rights Share(s)''	up to 133,333,333 new Shares proposed to be allotted and issued to the Qualifying Shareholder(s) pursuant to the Rights Issue
''SFC''	the Securities and Futures Commission of Hong Kong
''SFO''	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
''Shareholder(s)''	holder(s) of the Share(s)
''Share(s)''	ordinary share(s) of HK$0.1 each in the share capital of the Company
''Stock Exchange''	The Stock Exchange of Hong Kong Limited

"Subscription Price"	the subscription price of HK$0.14 per Rights Share under the Rights Issue
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
"Unsubscribed Rights Share(s)"	any Rights Shares provisionally allotted to but not subscribed by the Qualifying Shareholders prior to the Latest Time for Acceptance
"%"	per cent.

By order of the Board
Shun Wo Group Holdings Limited
Wong Yan Hung
Chairman

Hong Kong, 12 December 2025

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong, Ms. To Kit Man and Ms. Wong Nga Ling Kitty and the independent non-executive directors of the Company are Mr. Law Ka Ho, Mr. Leung Wai Lim and Mr. Tam Wai Tak Victor.