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

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$65.42 million before expenses by issuing up to 934,579,981 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.07 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be up to approximately HK\$63.62 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply the net proceeds of (i) approximately 70.7% (approximately HK\$45.00 million) for repaying the Group's liabilities; (ii) approximately 15.7% (approximately HK\$10.00 million) for the development of the Group's existing business including utilising as working capital of new construction projects of the Group, such as payment of feasibility study costs, professional expertise services with local in-depth knowledge and experiences so as to assist the Group to carry out the projects as well as related costs of the projects; and (iii) the remaining balance of approximately 13.6% (approximately HK\$8.62 million) as general working capital of the Group.

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 acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its assured entitlement under the PAL or applies for excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the terms that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and (ii) does not result in the Company's non-compliance with the public float requirement under Rule 8.08 of the Listing Rules. 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.

IRREVOCABLE UNDERTAKING

As at the date of this announcement, Sino Coronet, being the Controlling Shareholder, holds 1,039,456,250 Shares, representing approximately 55.61% of the total number of issued Shares.

On 26 January 2026, the Company received from Sino Coronet the Irrevocable Undertaking, pursuant to which:

- (i) Sino Coronet has unconditionally and irrevocably undertaken to the Company to subscribe for 519,728,125 Rights Shares which will be provisionally allotted to it nil-paid in respect of the 1,039,456,250 Shares legally and beneficially owned by it, pursuant to the terms of the Prospectus Documents; and
- (ii) Sino Coronet has unconditionally and irrevocably undertaken to the Company to ensure that the 1,039,456,250 Shares currently beneficially owned by it will not be sold, disposed of or transferred by it and will remain beneficially owned by it on the Record Date.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 months period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 9 February 2026 to Friday, 13 February 2026 (both dates inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company on the Record Date, which is currently expected to be Friday, 13 February 2026. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Friday, 6 February 2026.

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

The Rights Issue is subject to the fulfillment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Conditions of the Rights Issue" in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Thursday, 5 February 2026. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 23 February 2026 to Monday, 2 March 2026 (both dates inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date on which all conditions to which the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Friday, 6 March 2026) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares or Rights Shares in their nil-paid form who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

PROPOSED RIGHTS ISSUE

Details of the Rights Issue are summarised below:

Basis of Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date by the Qualifying Shareholders
Number of Shares in issue	:	1,869,159,962 Shares
as at the date of this announcement		
Number of Rights Shares	:	Up to 934,579,981 Rights Shares (assuming no change in the number of Shares in issue from the date of this announcement up to and including the Record Date)
Aggregate nominal value of Rights Shares to be issued under the Rights Issue	:	Up to HK\$9,345,799.81 (assuming no change in the number of Shares in issue from the date of this announcement up to and including the Record Date)
Subscription Price	:	HK\$0.07 per Rights Share
Number of Shares in issue immediately following the completion of the Rights Issue	:	Up to 2,803,739,943 Shares (assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue)
Status	:	The Rights Shares, when allotted, issued and fully paid, will rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue

Maximum gross proceeds from the Rights Issue	: Up to approximately HK\$65.42 million before deduction of expenses (assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue)
Maximum net proceeds from the Rights Issue	: Up to approximately HK\$63.62 million after deduction of expenses (assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue)
Excess applications	: Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, or convert or exchange into, Shares.

Assuming no new Shares (other than the Rights Shares) are allotted and issued and no Shares are repurchased on or before the Record Date, the nil-paid Rights Shares proposed to be provisionally allotted represent:

- (i) 50% of the Company's total number of issued Shares as at the date of this announcement; and
- (ii) approximately 33.3% of the Company's total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming no change in the number of Shares in issue other than the allotment and issue of the Rights Shares) after completion of the Rights Issue.

Rights Issue on a 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 acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its assured entitlement under the PAL or applies for excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the terms that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and (ii) does not result in the Company's non-compliance with the public float requirement under Rule 8.08 of the Listing Rules. 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 the 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.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and to the extent reasonably practicable, the Company will send copies of the Prospectus (without the PAL and EAF) to the Excluded Shareholders (if any) for their information only. Please take special note that the Company will send the PAL and EAF to the Qualifying Shareholders only.

The register of members of the Company will be closed from Monday, 9 February 2026 to Friday, 13 February 2026 (both dates inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company on the Record Date; and (ii) not be an Excluded Shareholder.

In order to be registered as members of the Company on the Record Date, Qualifying Shareholders must lodge any transfer of Shares (with the relevant share certificates) for registration with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Friday, 6 February 2026.

The last day for dealing in the Shares on a cum-rights basis is Wednesday, 4 February 2026. The Shares will be dealt with on an ex-rights basis from Thursday, 5 February 2026. 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 one single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For those beneficial owners of the Shares whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) or which are deposited in CCASS and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for completion of the relevant registration by no later than 4:30 p.m. on Friday, 6 February 2026.

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Thursday, 5 March 2026.

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

Rights of Overseas Shareholders

The Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. As at the date of this announcement, the Company does not have any Overseas Shareholders.

The Company will take steps to ascertain whether there are any Overseas Shareholders as at the Record Date. The Company will comply with Rule 13.36(2) of the Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any), and if, having made such enquiry, the Directors consider that it is necessary or expedient not to extend the Rights Issue to these Overseas Shareholders on account either of the legal restrictions under the laws of the place of his/her/its/their registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders and the Company will disclose the explanation for such exclusion in the Prospectus. To the extent reasonably practicable, the Company will only send the Prospectus to the Excluded Shareholders (if any) for their information.

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. 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.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue, subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Right Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.07 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 17.65% the closing price of HK\$0.0850 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.05% to the average closing price of approximately HK\$0.0824 per 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 16.27% to the average closing price of approximately HK\$0.0836 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of 12.50% to the theoretical ex-rights price of HK\$0.0800 based on the closing price of HK\$0.0850 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (v) a premium of approximately 79.09% over the unaudited net asset value attributable to the Shareholders of approximately HK\$0.039 per Share based on the unaudited net asset value attributable to the Shareholders of approximately HK\$73.1 million as at 30 September 2025 set out in interim report of the Company for the six months ended 30 September 2025 and 1,869,159,962 total issued Shares as at 30 September 2025; and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 5.88%, being the discount of the theoretical diluted price of approximately HK\$0.0800 per Share (calculated based on the benchmarked price as defined under Rule 7.27B of the Listing Rules) to the benchmarked price of approximately HK\$0.0850 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.0850 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.0822 per Share).

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

The Subscription Price was determined by the Directors with reference to, among other things, the recent market prices of the Shares and the prevailing market conditions. Having considering that (i) the Subscription Price represents a premium over the unaudited net asset value attributable to the Shareholders per Share as at 30 September 2025; (ii) the Subscription Price is within the range of closing price of the Shares during the period from 1 October 2025 to the Last Trading Day in a range of between HK\$0.063 and HK\$0.090 per Share; (iii) the Group recorded losses attributable to the Shareholders for the past five financial years ended 31 March 2021, 2022, 2023, 2024 and 2025, and for the six months ended 30 September 2025; and (iv) the discount of the Subscription Price to the recent market prices provides the Qualifying Shareholders with incentive to participate in the Rights Issue so as to support the Group's development, the Directors are of the view that the Subscription Price, being determined with reference to the prevailing market prices of the Shares, is fair and reasonable.

The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.068 (assuming no change in the number of Shares in issue on or before the Record Date).

Basis of Provisional Allotment of Rights Shares

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL (in accordance with the instructions printed thereon) and lodging the same with a cheque or a banker's cashier order for the sum

payable for the Rights Shares being applied for with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by a time which is currently expected to be 4:00 p.m. on Thursday, 5 March 2026. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed “Fractional Entitlements” below. Upon completion of the Rights Issue, the board lots of the Company will remain as 10,000 Shares.

Fractional Entitlements

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the then existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of such Rights Shares in their fully-paid form.

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholders; (ii) any Rights Shares provisionally allotted but not accepted; and (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate cheque or banker’s cashier order for the sum payable for the excess Rights Shares being applied for with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by a time which is currently expected to be 4:00 p.m. on Thursday, 5 March 2026.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given for topping up odd lots to whole board lots.

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

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

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such 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.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Share Certificates and Refund Cheques for Rights Issue

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Friday, 13 March 2026 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Friday, 13 March 2026 by ordinary post to the registered addresses as aforesaid at the respective applicants’ own risks. One share certificate will be issued for all the Rights Shares a Shareholder is entitled to.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

No part of the Shares for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in on any other stock exchange.

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights 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 Rights 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 HKSCC and HKSCC Operational Procedures in effect from time to time.

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

Stamp Duty and Other Applicable Fees and Charges

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

Conditions of the Rights Issue

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

- (a) 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 Posting Date in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) 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 Posting Date; and

- (c) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Company may accept.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Friday, 6 March 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.

Irrevocable Undertaking

As at the date of this announcement, Sino Coronet, being the Controlling Shareholder, holds 1,039,456,250 Shares, representing approximately 55.61% of the issued share capital of the Company.

On 26 January 2026, the Company received from Sino Coronet the Irrevocable Undertaking, pursuant to which:

- (i) Sino Coronet has unconditionally and irrevocably undertaken to the Company to subscribe for 519,728,125 Rights Shares which will be provisionally allotted to it nil-paid in respect of the 1,039,456,250 Shares legally and beneficially owned by it, pursuant to the terms of the Prospectus Documents; and
- (ii) Sino Coronet has unconditionally and irrevocably undertaken to the Company to ensure that the 1,039,456,250 Shares currently beneficially owned by it will not be sold, disposed of or transferred by it and will remain beneficially owned by it on the Record Date.

Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the date of this announcement.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustrative purpose only, 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 no change in the number of Shares in issue other than the allotment and issue of the Rights Shares):

	Immediately after completion of the Rights Issue					
	As at the date of this announcement			Assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full		
	No. of Shares	Approximate % of issued Shares	No. of Shares	Approximate % of issued Shares	No. of Shares	Approximate % of issued Shares
Shareholders						
Sino Coronet	1,039,456,250	55.61	1,559,184,375	55.61	1,559,184,375	65.27
Public Shareholders	829,703,712	44.39	1,244,555,568	44.39	829,703,712	34.73
Total	1,869,159,962	100.00	2,803,739,943	100.00	2,388,888,087	100.00

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the construction related business and trading of chemical materials in Southeast Asia and the PRC.

The Group operates in a highly competitive and challenging construction market, which has adversely affected the performance of its construction business. Consequently, the Group recorded losses for each of the five financial years ended 31 March 2021, 2022, 2023, 2024 and 2025, as well as for the six months ended 30 September 2025. These persistent losses have exerted significant pressure on the Group's working capital, which is largely tied up in ongoing construction projects of the Group.

To support the Group's business development and ease its working capital pressure, the Controlling Shareholder has over the past few years advanced funds to the Group by way of unsecured and interest-free loans without requiring any collateral. In parallel, the Group has implemented measures to improve its working capital, including (i) the disposal of land and buildings in the Philippines, as disclosed in the Company's circular dated 2 February 2024; and (ii) the disposal of a wholly-owned subsidiary principally engaged in civil engineering business in Hong Kong, as disclosed in the Company's circular dated 23 May 2025. The Group remains committed to enhancing its long-term prospects by focusing on its core construction and trading business.

As stated in the Company's interim report for the six months ended 30 September 2025, the Group's cash and cash equivalents decreased from approximately HK\$14.5 million as at 31 March 2025 to approximately HK\$6.6 million as at 30 September 2025. In view of the tightening liquidity position and to replenish working capital, the Group recently approached the Controlling Shareholder for an additional loan. The Controlling Shareholder requested (i) the outstanding loans to be repaid in full before any further advances would be made; and (ii) the Group to formulate a concrete plan to strengthen its working capital position. Upon review, the Group noted that cash realised from trade and other receivables from customers is primarily used to settle payables relating to the corresponding construction projects. Therefore, such funds are needed to support ongoing operations and cannot be effectively redeployed as working capital for new projects or for head office expenses.

The Board has considered various fundraising alternatives, including issuing debt securities and obtaining further bank or other borrowings. However, given the Group's limited collateral available to secure external financing and its ongoing losses over the past five financial years and the six months ended 30 September 2025, the Board considers it highly impracticable to secure external debt financing under the current circumstances. Having taken into account the intention to repay the Group's liabilities and the desire not to increase the Group's financing costs, the Board considers it more prudent to finance (i) the repayment of liabilities; and (ii) the Group's business development through equity fundraising rather than incurring additional indebtedness.

In evaluating equity fundraising options, the Board considered, among others, a placement of new Shares, an open offer and a rights issue. A placement of new Shares would likely dilute the interests of existing Shareholders and would not provide them with an opportunity to participate in the Company's capital-raising exercise. In addition, engaging a placing agent would incur extra costs and expenses. Between an open offer and a rights issue, the Board considers that a rights issue is more advantageous and appealing to the Qualifying Shareholders, as it provides greater flexibility by allowing them to trade the nil-paid rights attached to the Shares in the market.

The Rights Issue is expected to raise net proceeds of up to approximately HK\$63.62 million, assuming no change in the number of Shares in issue on or before the Record Date. The Company intends to apply the net proceeds as follows:

- (i) approximately 70.7% (approximately HK\$45.00 million) for repaying the Group's liabilities, including as to approximately HK\$35.00 million for repayment of amount due to the Controlling Shareholder and approximately HK\$10.00 million for repayment of bank loan and financial guarantee contracts;
- (ii) approximately 15.7% (approximately HK\$10.00 million) for development of the Group's existing business including utilising as working capital of new construction projects of the Group, such as payment of feasibility study costs, professional expertise services with local in-depth knowledge and experiences so as to assist the Group to carry out the projects as well as related costs of the projects; and

(iii) the remaining approximately 13.6% (approximately HK\$8.62 million) as general working capital of the Group.

In the event of under-subscription of the Rights Issue, the net proceeds will be applied in the same proportions as set out above.

The Board is of the view that the Rights Issue offers equal opportunity and flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up their entitlement, applying for excess Rights Shares, acquiring additional rights in the market or disposing of their rights entitlements (subject to availability). Furthermore, the Rights Issue will enable the Group to reduce its liabilities and strengthen the Group's working capital to support future business development.

Having considered the above factors, the Board considers that the terms of the Rights Issue are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the proposed Rights Issue is set out below:

Last day of dealing in Shares on a cum-rights basis Wednesday, 4 February 2026

First day of dealing in Shares on an ex-rights basis Thursday, 5 February 2026

Latest time for lodging transfers of Shares and
related documents in order to qualify
for the Rights Issue 4:30 p.m. on Friday,
6 February 2026

Closure of register of members of the Company
(both dates inclusive) Monday, 9 February 2026 to
Friday, 13 February 2026

Record Date to determine entitlements
under the Rights Issue Friday, 13 February 2026

Despatch of the Prospectus Documents Monday, 16 February 2026

Register of members of the Company re-opens Monday, 16 February 2026

First day of dealing in nil-paid Rights Shares Monday, 23 February 2026

Latest time for splitting the PAL 4:30 p.m. on Wednesday,
25 February 2026

Last day of dealing in nil-paid Rights Shares Monday, 2 March 2026

Latest time for acceptance of and payment for
Rights Shares and for application and
payment for excess Rights Shares 4:00 p.m. on Thursday,
5 March 2026

Latest time for the Rights Issue to become unconditional 4:00 p.m. on Friday,
6 March 2026

Announcement of results of acceptances of Rights Shares
and of application for excess Rights Shares Thursday, 12 March 2026

Despatch of refund cheques for wholly and
partially unsuccessful excess applications Friday, 13 March 2026

Despatch of share certificates for fully-paid Rights Shares Friday, 13 March 2026

Commencement of dealing in fully-paid Rights Shares Monday, 16 March 2026

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

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

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place as shown if there is a “black” rainstorm warning or a tropical cyclone warning signal no. 8 or above in force in Hong Kong:

- (i) at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 5 March 2026. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) at any local time between 12:00 noon and 4:00 p.m. on Thursday, 5 March 2026. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the next 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 of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place at 4:00 p.m. on Thursday, 5 March 2026, the dates mentioned in the section headed “Expected Timetable” above may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

PREVIOUS FUND-RAISING EXERCISE OF THE COMPANY

There has been no equity fund-raising activities carried out by the Company in the 12 months immediately preceding the date of this announcement.

GENERAL

The Prospectus Documents, containing further information on the Rights Issue will be despatched to the Qualified Shareholders on Monday, 16 February 2026. To the extent reasonably practicable, the Prospectus will be despatched to the Excluded Shareholders (if any) for their information only. Shareholders and potential investors should exercise caution when dealing in the Shares.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 months period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders’ approval under 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 9 February 2026 to Friday, 13 February 2026 (both dates inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder’s name must appear on the register of members of the Company in Hong Kong on the Record Date, which is currently expected to be Friday, 13 February 2026. In order to be registered as a member of the Company in Hong Kong on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Friday, 6 February 2026.

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

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 in their nil-paid and fully-paid forms. Please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Thursday, 5 February 2026. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 23 February 2026 to Monday, 2 March 2026 (both dates inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Friday, 6 March 2026) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares or Rights Shares in their nil-paid form who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Kwan On Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1559)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess of their assured entitlements under the Rights Issue
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of 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, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Irrevocable Undertaking”	a letter of irrevocable undertaking dated 26 January 2026 executed by Sino Coronet in favour of the Company, the principal terms of which are disclosed in the paragraph headed “Irrevocable Undertaking” in this announcement
“Last Trading Day”	Monday, 26 January 2026, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) which 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 in connection with the Rights Issue
“Posting Date”	Monday, 16 February 2026 (or such other date as the Company may determine), being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which for the purpose of this announcement does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Friday, 13 February 2026 (or such other date as the Company may determine), being the date by reference to which entitlements to the Rights Issue are to be determined

“Rights Issue”	the proposed issue of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date, payable in full upon acceptance
“Rights Share(s)”	up to 934,579,981 new Share(s) proposed to be allotted and issued under the Rights Issue (assuming no change in the number of Shares in issue from the date of this announcement up to and including the Record Date)
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of (a) Share(s)
“Sino Coronet”	Sino Coronet Group Limited, a company incorporated in the British Virgin Islands with limited liability and a Controlling Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.07 per Rights Share pursuant to the Rights Issue
“Takeovers Code”	the Hong Kong Code on Takeovers, Mergers and Share Buy-backs
“%”	per cent.

By Order of the Board
Kwan On Holdings Limited
Chen Zhenghua
Chairman

Hong Kong, 26 January 2026

As at the date of this announcement, the executive Directors are Mr. Chen Zhenghua, Mr. Sun Xiaoran and Mr. Gu Xiaochong; the non-executive Director is Ms. Li Yuping; and the independent non-executive Directors are Professor Lam Sing Kwong, Simon, Mr. Lum Pak Sum and Mr. Gong Zhenzhi.