
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Silkwave Inc.**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “12. Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “**Warning of the Risks of Dealing in Shares and Rights Shares**” in the “Letter from the Board” in this Prospectus.

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 as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both 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 and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. 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.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which Silkwave Inc will not accept any liability.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed “The Overseas Shareholders” in the “Letter from the Board” in this Prospectus.

This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdictions in which such offer, solicitation or sale would be unlawful.

The information provided in this Prospectus is purely for information purposes, and no information in this Prospectus should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Shares (in both nil-paid and fully-paid forms) and/or the Shares.

Not for publication or distribution in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities law.

SILKWAVE

SILKWAVE INC

中播數據有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company



The Rights Issue will be made on a non-underwritten basis. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in Shares and/or nil-paid Rights Shares up to the date on which the Rights Issue has become unconditional should be aware of the risk that the Rights Issue may not proceed and are advised to exercise caution.

Details on the expected timetable for the Rights Issue are set out in the section headed “Expected timetable” in this Prospectus. The procedures for acceptance and payment and/or transfer of the nil-paid Rights Shares are set out in the section headed “Letter from the Board — Rights Issue — Procedures for acceptance, payment and transfer” in this Prospectus. Shareholders and potential investors are recommended to consult their professional advisers if in doubt.

3 February 2026

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EXPECTED TIMETABLE

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

Events	Time and date
Record Date to determine entitlements to the Rights Issue	Monday, 2 February 2026
Register of members of the Company re-opens	Tuesday, 3 February 2026
Despatch of the Prospectus Documents (including the PAL, EAF and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only)	Tuesday, 3 February 2026
First day of dealings in nil-paid Rights Shares	Thursday, 5 February 2026
Latest time for splitting of PALs	4:30 p.m. on Monday, 9 February 2026
Last day of dealings in nil-paid Rights Shares	Thursday, 12 February 2026
Latest time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares	4:00 p.m. on Monday, 23 February 2026
Announcement of results of the Rights Issue including the results of application for Excess Rights Shares	Monday, 2 March 2026
Despatch of share certificates for fully-paid Rights Shares	Tuesday, 3 March 2026
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue does not proceed	Tuesday, 3 March 2026
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 4 March 2026

All times and dates in this Prospectus refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EXPECTED TIMETABLE

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

The Latest Time for Acceptance will not take place if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” announced by the Government of Hong Kong in force in 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 Monday, 23 February 2026. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 23 February 2026. 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..

If the Latest Time for Acceptance does not take place on Monday, 23 February 2026, the dates mentioned in the expected timetable may be affected. The Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms will have the meanings respectively ascribed below:

“Announcement”	the announcement of the Company dated 19 November 2025
“Beneficial Owner(s)”	beneficial owner(s) whose Shares are registered in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and public holiday(s)) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chi Capital”	Chi Capital Holdings Ltd, a controlling shareholder of the Company and a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Wong as at the Latest Practicable Date
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Circular”	the circular dated 31 December 2025 in respect of, among other things, the Rights Issue
“Company”	Silkwave Inc, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 471)
“Convertible Notes”	the 7-year zero coupon unsecured unlisted convertible notes in the aggregate principal amount of US\$65,000,000 issued by the Company in accordance with the terms of the subscription agreement dated 29 June 2021
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares

DEFINITIONS

“Excess Rights Shares”	any Rights Shares provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Non-Qualifying Shareholders
“Existing Share(s)/ Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Financial Adviser”	Kingston Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Company in relation to the Rights Issue
“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 PRC
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means a Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the Beneficial Owner’s Shares with a CCASS participant
“Latest Practicable Date”	Thursday, 29 January 2026, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Last Trading Day”	Wednesday, 19 November 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of the Announcement
“Latest Time for Acceptance”	Monday, 23 February 2026, or such other time and 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 Excess Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Lui”	Mr. Lui Chun Pong, who was the non-executive Director (resigned on 26 November 2025) and one of the directors of the Financial Adviser

DEFINITIONS

“Mr. Wong”	Mr. Wong Chau Chi, who is the chairman of the Board, the Chief Executive Officer and the controlling shareholder of the Company
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable 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 or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
“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) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus as issued by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Posting Date”	Tuesday, 3 February 2026, or such other date as may be determined by the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“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 Non-Qualifying Shareholder(s)
“Record Date”	Monday, 2 February 2026, or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue
“Registered Shareholder”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of Shares in which the Beneficial Owner is beneficially interested

DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue by way of rights on the basis of three (3) Rights Shares for every one (1) Existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to (i) 359,821,602 Shares (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date); or (ii) 383,161,602 Shares (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.455 per Rights Share
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“United States” or “US”	the United States of America
“%”	per cent

LETTER FROM THE BOARD

SILKWAVE

SILKWAVE INC

中播數據有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

Executive Directors:

Mr. WONG Chau Chi (*Chairman and Chief Executive*)

Ms. WOO Lan Ying (*Vice-Chairperson*)

Mr. YANG Tenghao

Non-executive Director:

Ms. HU Manqiu

Independent non-executive Directors:

Mr. CHOW Kin Wing

Mr. LAM Cheung Shing, Richard

Mr. TAM Hon Wah

Registered office:

Cricket Square, Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Headquarters and principal place of
business in Hong Kong:*

Unit B1, 8/F

Kingston International Centre

19 Wang Chiu Road, Kowloon Bay

3 February 2026

To the Qualifying Shareholders,

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

References are made to the Announcement and the Circular in relation to, among other things, the Rights Issue.

The purpose of this Prospectus is to provide you with further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial and general information of the Group.

LETTER FROM THE BOARD

THE RIGHTS ISSUE

Under the Rights Issue, the Company proposes to raise gross proceeds of up to (i) approximately HK\$163.72 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) by issuing up to 359,821,602 Rights Shares; or (ii) approximately HK\$174.34 million (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date) by issuing up to 383,161,602 Rights Shares at the Subscription Price of HK\$0.455 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholder(s) (if any).

Details of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue	:	three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.455 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	119,940,534 Shares
Number of Rights Shares	:	up to (i) 359,821,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or up to (ii) 383,161,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date)
Aggregated nominal value of the Rights Shares	:	up to (i) HK\$3,598,216.02 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or up to (ii) HK\$3,831,616.02 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes on or before the Record Date)

LETTER FROM THE BOARD

Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	: (i) 479,762,136 (assuming full subscription under the Rights Issue, no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue); or (ii) 510,882,136 (assuming full subscription under the Rights Issue, no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	: (i) approximately HK\$163.72 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$174.34 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
Net proceeds from the Rights Issue	: (i) approximately HK\$162.00 million after expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$172.62 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	: approximately HK\$0.450 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) or approximately HK\$0.451 (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes)
Rights of excess application	: Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotments.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are outstanding Convertible Notes which are convertible into 7,780,000 new Shares prior to the Record Date. (For the Convertible Notes which will not be converted on or before the Record Date, please refer to the section headed “POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE NOTES” in this Prospectus.) Save for the aforesaid, as at the Latest Practicable Date, the Group has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Shares prior to the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 359,821,602 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 300% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Notes and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 383,161,602 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) approximately 319.46% of the issued share capital of the Company as at the Latest Practicable Date; (ii) 300% of the issued share capital of the Company as enlarged by the issue of Shares upon full exercise of the Convertible Notes; and (iii) 75% of the issued share capital of the Company as enlarged by the issue of Shares upon full exercise of the Convertible Notes and the allotment and issue of the Rights Shares.

Non-underwritten basis

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

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) and EAF(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with 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%. Any subscription monies not being utilised due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

LETTER FROM THE BOARD

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 Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

The Subscription Price

The Subscription Price is HK\$0.455 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares or where applicable, upon an application of Excess Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 26.61% to the average of the closing prices of HK\$0.620 per Existing Share as quoted on the Stock Exchange for the Latest Practicable Date;
- (ii) a discount of approximately 31.06% to the closing price of HK\$0.660 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 32.29% to the average of the closing prices of HK\$0.672 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) discount of approximately 31.58% to the average of the closing prices of approximately HK\$0.665 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 10.13% to the theoretical ex-rights price of approximately HK\$0.5063 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.660 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.51% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.5103 per Share and the benchmarked price of approximately HK\$0.676 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\$0.660 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.676 per Share); and

LETTER FROM THE BOARD

- (vii) a discount of approximately 62.81% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$1.2236 (based on the net asset value attributable to the owners of the Company as at 30 June 2025 of approximately US\$18,863,000 (equivalent to approximately HK\$146,754,140 based on the exchange rate of US\$1 = HK\$7.78) as disclosed in the interim results announcement of the Company dated 29 August 2025 for the six months ended 30 June 2025 and 119,940,534 Shares in issue as at the Latest Practicable Date).

Determination of the Subscription Price

The Subscription Price was determined by the Company with reference to, among others, (i) the recent closing prices of the Shares; (ii) the low liquidity of the Shares; (iii) the financial conditions of the Company; (iv) the amount of funds the Company intends to raise under the Rights Issue; and (v) the reasons as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS” below in this Prospectus.

For the six months preceding the Last Trading Day (“**Half-Year Period**”), the share price of the Company traded within a range of the lowest closing price of HK\$0.500 on 16 June 2025 to the highest closing price of HK\$1.480 on 13 October 2025 and 14 October 2025 respectively, with an average trading price of HK\$0.685. The average daily trading volume was approximately 832,011 Shares, representing approximately 0.69% of the total issued shares as at the Last Trading Day. During the Half-Year Period, the closing price of the Share remained stable between HK\$0.500 to HK\$0.720 from 19 May 2025 to 2 October 2025. The Board noticed that the closing price of the Share suddenly increased from HK\$0.720 on 2 October 2025 to HK\$1.350 on 6 October 2025, despite there was not any price-sensitive announcement was published by the Company during that period. Subsequently, the closing price of the Share decreased from HK\$1.480 on 14 October 2025 to HK\$0.700 on 16 October 2025 and continued trading steadily until the Last Trading Day. The Directors consider the price fluctuations observed in October 2025 to be anomalous.

Whilst the Subscription Price represents a discount of approximately 62.81% to the latest published unaudited consolidated net asset value per Share as at 30 June 2025 of approximately HK\$1.2236 (“**NAV per Share**”) as mentioned above, the Directors consider that the NAV per Share is not the sole determining factor for setting the Subscription Price. During the Half-Year Period, the Shares traded below NAV per Share on 122 out of 127 trading days, exceeding it on only 5 trading days. The average closing price of the Share during the Half-Year Period (i.e. HK\$0.685) represents a discount of approximately 44.02% to the NAV per Share (i.e. HK\$1.2236). Accordingly, setting the Subscription Price at or near the NAV per Share would imply a substantial premium to the prevailing market prices of the Shares, which would not be commercially viable and would likely discourage Shareholder participation in the Rights Issue, thereby undermining the fundraising objectives.

LETTER FROM THE BOARD

Having also considered (i) the funding needs of the Group as detailed in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS”; (ii) to enhance attractiveness to Qualifying Shareholders; (iii) the closing price performance of the Share during the Half-Year Period as stated above; and (iv) the market comparison of the Comparables (as defined below), the Directors are of the view that setting the Subscription Price at a discount, within the range and proximate to the average of the Comparables’ LTD Discount, 5-Day Discount and 10-Day Discount (as defined below) is fair and reasonable and in the best interests of the Company and the Shareholders as a whole, as it is expected to encourage broader participation in the Rights Issue.

As disclosed in the annual report of the Company for the year ended 31 December 2024 (“FY2024”), the Group recorded a decrease in revenue from approximately US\$7.3 million for the year ended 31 December 2023 to approximately US\$6.4 million for FY2024, which represents a decrease of approximately 12.33%, which was mainly due to weakened performance in the Group’s trading business in Taiwan, which includes printed circuit board (PCB) operations and technology components for AI-related applications, amid challenging economic conditions.

The Company’s 20% equity interest in Silkwave Holdings Limited (“Silkwave”), which is developing a satellite-connected multimedia service for vehicles in the PRC using its AsiaStar satellite assets (including frequency spectrum and orbital slot), reported a significantly reduced shared loss of US\$541,000 in FY2024, down from US\$49.6 million in FY2023. This improvement reflects a reassessment of Silkwave’s commercial operations, prompted by ongoing delays in securing regulatory approvals and high-power satellite procurement, which impacted projected cash flows and led to a lower valuation of Silkwave’s assets. Silkwave has completed its network infrastructure, technology, and ecosystem platform and has been conducting trial services across PRC. However, persistent regulatory delays from Chinese authorities continue to prevent the launch of commercial services, deferring revenue generation.

With growing market recognition of satellite services and applications, particularly following PRC’s border reopening in early 2023 after three years of Covid-related restrictions, Silkwave is actively pursuing regulatory approvals and commercial service rollouts in the PRC while exploring opportunities in ASEAN markets to utilise its unutilised satellite capacity. The impairment loss on the Company’s intangible assets also decreased significantly from US\$20.22 million in FY2023 to US\$4.82 million in FY2024, reflecting improved asset valuations. Consequently, the overall loss for the year decreased substantially from US\$74.97 million in FY2023 to US\$9.46 million in FY2024, signalling a positive shift in financial performance despite ongoing challenges and the Management is actively exploring strategies to turn around the Group’s persistent net losses.

The Company aims to encourage greater Shareholders participation in the Rights Issue. Given the challenging financial performance, including the revenue decline, persistent net losses, and sustained low trading volume as outlined above, the Directors believe that offering an attractive discount on the subscription price is necessary to enhance the appeal of the Rights Issue and incentivise Shareholders’ participation. This approach will enable shareholders to maintain their proportional shareholdings in the Company while contributing to the Group’s future growth and development. Considering the reasons for the Rights Issue as detailed in the paragraph headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS” below, the Directors believe that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable, and in the best interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The Board noted the relatively large discount of the Subscription Price as mentioned above.

To assess the fairness and reasonableness of the Subscription Price, the Board searched for rights issue transactions announced by companies listed on the Stock Exchange (except those terminated or lapsed) from 1 July 2025 up to the Last Trading Day (the “**Criteria**”). The review period of approximately four months prior to and including the Last Trading Day was determined to illustrate recent practices in rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day. Based on the search on the Stock Exchange’s website, the Board identified 35 rights issue transactions (the “**Comparables**”) which met the aforesaid Criteria and they are exhaustive. The Board considered that notwithstanding that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables and without any independent verification with regard to the businesses and operations of such companies, the Comparables illustrate recent rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day.

LETTER FROM THE BOARD

Set out below is an exhaustive list of the Comparables announced during the review period:

Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds <i>HK\$ million</i>	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount")	Premium/ (discount) of the subscription price to the net assets attributable to owners of the Company in relation to the respective rights issue (the "NAV Discount")	Theoretical application/ dilution effect arrangements
					%	%	%	%	%	
1. Domaine Power Holdings Limited	442	12/11/2025	1 for 2	61.0	(17.44)	(15.88)	(17.15)	(12.35)	65.12	5.81 Excess application
2. Winto Group (Holdings) Limited	8238	6/11/2025	3 for 1	49.4	(6.98)	(6.10)	NA	(1.96)	NA	5.12 Compensatory arrangements
3. Zhongshi Minan Holdings Limited	8283	4/11/2025	5 for 1	100.8	(23.91)	(25.69)	(25.69)	(4.89)	(64.68)	21.67 Compensatory arrangements
4. KNT Holdings Limited	1025	2/11/2025	1 for 1	40.4	(9.09)	(10.71)	(13.79)	(4.76)	48.15	9.39 Compensatory arrangements
5. IRC Limited	1029	24/10/2025	1 for 2	325.9	(16.39)	(17.21)	(17.21)	(12.17)	(61.10)	9.76 Compensatory arrangements
6. Sandmartin International Holdings Limited	482	24/10/2025	1 for 1	92.3	2.70	(9.00)	(11.50)	NA	NA	5.99 Excess application
7. Jiading International Group Holdings Limited	8153	24/10/2025	1 for 2	6.93	(38.78)	(37.11)	NA	(29.69)	NA	12.93 Compensatory arrangements
Crocodile Garments Limited	122	22/10/2025	1 for 2	53.3	(22.68)	(22.44)	(22.92)	(16.34)	(92.46)	7.56 Excess application

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LETTER FROM THE BOARD

	Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds <i>HK\$ million</i>	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	%	Excess application/ dilution effect arrangements
27.	Capital VC Limited	2324	13/8/2025	1-for-1	54.00	(27.30)	(24.80)	(25.00)	N/A	(82.00)	(82.00)	(82.00)	(82.00)	(82.00)	(82.00)	(82.00)	(82.00)	13.60 Compensatory arrangements
28.	Value Convergence Holdings Limited	821	6/8/2025	2-for-1	245.10	(4.26)	(5.86)	(1.21)	(1.53)	(71.06)	(71.06)	(71.06)	(71.06)	(71.06)	(71.06)	(71.06)	(71.06)	3.11 Excess application
29.	Tomo Holdings Limited	6928	4/8/2025	1-for-2	40.50	(62.10)	(63.20)	(65.40)	(52.20)	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	21.30 Compensatory arrangements
30.	XJ International Holdings Co., Ltd. (note 3)	1765	30/7/2025	1-for-12	137.08	(1.96)	(0.50)	(0.79)	(1.82)	(83.74)	(83.74)	(83.74)	(83.74)	(83.74)	(83.74)	(83.74)	(83.74)	0.15 Compensatory arrangements
31.	Da Yu Financial Holdings Limited	1073	30/7/2025	1-for-2	136.70	(16.67)	(18.92)	(18.37)	(11.76)	(45.45)	(45.45)	(45.45)	(45.45)	(45.45)	(45.45)	(45.45)	(45.45)	6.67 Excess application
32.	Shin Hwa World Limited	582	25/7/2025	1-for-1	182.57	(34.21)	(33.07)	(33.99)	(17.11)	(97.12)	(97.12)	(97.12)	(97.12)	(97.12)	(97.12)	(97.12)	(97.12)	17.11 Excess application
33.	Future Machine Limited	1401	23/7/2025	1-for-2	140.00	(72.28)	(72.28)	(72.28)	(63.48)	(28.61)	(28.61)	(28.61)	(28.61)	(28.61)	(28.61)	(28.61)	(28.61)	24.09 Compensatory arrangements
34.	Alco Holdings Limited	328	8/7/2025	4-for-1	148.47	(19.00)	(19.00)	(12.79)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15.52 Compensatory arrangements
35.	Sanergy Group Limited	2459	7/7/2025	1-for-2	45.60	(55.60)	(56.30)	(56.70)	(45.50)	(89.00)	(89.00)	(89.00)	(89.00)	(89.00)	(89.00)	(89.00)	(89.00)	18.80 Compensatory arrangements

LETTER FROM THE BOARD

Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds <i>HK\$ million</i>	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day prior to publication of announcement in relation to the respective rights issue (the "LTD Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "TERP Discount")	%	Premium/ (discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "NAV Discount")	%	Excess application/ dilution effect arrangements
Minimum				6.93	(72.28)		(72.28)		(72.28)		(63.48)		(97.87)		0.15
Median				61.00	(22.38)		(24.43)		(25.35)		(12.90)		(64.68)		11.75
Maximum				325.90	2.70		(0.50)		(0.79)		1.12		65.12		24.78
Average				107.78	(25.95)		(26.91)		(27.96)		(17.85)		(48.03)		12.83
Company				174.34	(31.06)		(32.29)		(31.58)		(10.13)		(62.81)		24.51 Excess application

Note:

1. The relevant Comparable has to set the subscription price at a premium to its recent trading price prior to the rights issue to avoid the subscription price being set below the par value; accordingly, such premium rates are considered as outliers and are therefore excluded from the calculation of the premium/discount rates of the subscription price of the Comparables relative to the trading prices.
2. The premium rates of the subscription price over the net asset value per issued share of the relevant Comparables are exceptionally high and considered as outliers, and are therefore excluded from the calculation of the premium/discount rates of the subscription price relative to the net assets value per share of the Comparables.
3. The relevant Comparable announced a previous rights issue on 10 July 2025, terminated it on 30 July 2025, and announced a revised rights issue on 30 July 2025.

LETTER FROM THE BOARD

It is observed that the premium/discount rates of the LTD Discount, the 5-Day Discount, the 10-Day Discount, the TERP Discount, the NAV Discount and the theoretical dilution effect of the Rights Issue of approximately 31.06%, 32.29%, 31.58%, 10.13%, 62.81% and 24.51%, respectively, are within the market range of the Comparables. Despite the theoretical dilution effect of approximately 24.51% is close to the maximum of the Comparables of approximately of 24.78%, having also considered:

- (i) the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue through their votes at the EGM and the Company will engage the independent financial adviser to provide a letter of advice to the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue;
- (ii) the Rights Issue provides the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount to the historical and prevailing market prices of the Shares;
- (iii) the Qualifying Shareholders who do not take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to make excess applications for additional Rights Shares and/or acquire additional nil-paid Rights Shares in the market;
- (iv) it is reasonable to offer discount for the Subscription Price to promote its attractiveness given the generally thin average daily trading volume for the six months preceding the Last Trading Day as mentioned above; and
- (v) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

The Board is of the view that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of provisional allotment of Rights Shares will be three (3) Rights Shares (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing the PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Monday, 23 February 2026.

LETTER FROM THE BOARD

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 resultant from the non-issuance of fractional Rights Shares.

Status of the Rights Shares

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

The Qualifying Shareholders

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be a Non-Qualifying Shareholder.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the avoidance of doubt, unless Qualifying Shareholders submit their requests in writing to the Company for printed copies of the Prospectus, the Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL and EAF, as actionable corporate communication, will be sent in printed copies.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

The Non-Qualifying Shareholders

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

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

The Company will send the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdictions of Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (excluding the PAL and EAF) to the Non-Qualifying Shareholders for information purposes only.

LETTER FROM THE BOARD

The Overseas Shareholders

Based on the register of members of the Company as at the Latest Practicable Date, there was 220 Shareholders with registered addresses situated overseas.

Jurisdiction	Number of Overseas Shareholder(s)	Aggregated number of Shares held by Overseas Shareholder(s) in the jurisdiction	Approximate % of the issued share capital of the Company (Note)
PRC	213	1,003,002	0.8362%
United States	5	74,023	0.0617%
British Virgin Islands	2	24,403	0.0203%
	<u>220</u>	<u>1,101,428</u>	<u>0.9182%</u>

Note: The percentage figures have been subject to rounding adjustment. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustment.

The Prospectus Documents are not intended to be registered or filed under the securities law of any jurisdiction other than Hong Kong.

The Company, in compliance with Rule 13.36(2)(a) of the Listing Rules, has made reasonable enquiries into the legal requirements concerning the feasibility of extending the Rights Issue to Overseas Shareholders. Following enquiries into the legal restrictions under the laws of the United States and the requirements of the relevant regulatory bodies or stock exchanges, the Directors are of the view that it is necessary and expedient to exclude Overseas Shareholders with registered addresses in the United States. Such Overseas Shareholders shall be regarded as Non-Qualifying Shareholders pursuant to Rule 13.36(2)(a), as the offer of Rights Shares to these Overseas Shareholders would, or might, in the absence of compliance with registration or other special formalities, be unlawful or impracticable, and the costs involved would outweigh the potential benefits to both the relevant Overseas Shareholders and the Company.

As at the Latest Practicable Date, there are two Overseas Shareholders with registered addresses situated in the British Virgin Islands (the “BVI”). The Company has been advised by its BVI legal adviser that if the proposed Rights Issue is made by the Company in Hong Kong and the Rights Issue is being made by the Company to the BVI Shareholders solely by reason that they are existing shareholders of the Company, there are no restrictions under securities law or other similar laws in the BVI which would prevent the Company from including the BVI Shareholders in the Rights Issue. Accordingly, on the basis of the foregoing, the Company’s BVI legal adviser advises that the extension of the Rights Issue to the BVI Shareholders and the offering of the Rights Shares to the BVI Shareholders will not violate any applicable law or regulations in the BVI. There are no requirements of the relevant regulatory body or stock exchange in BVI regarding the Rights Issue to the BVI Shareholders.

LETTER FROM THE BOARD

Therefore, based upon such advice, the Board is of the view that the extension of the Rights Issue to the Overseas Shareholders in the BVI and the offering of the Rights Shares to them will not violate any applicable law or regulations in the BVI. Accordingly, the Overseas Shareholders in the BVI shall therefore be Qualifying Shareholders.

Having made enquiries regarding the legal restrictions under the applicable laws and regulatory requirements in the PRC, the Directors have been advised by legal counsel that there are no specific legal restrictions or regulatory requirements preventing the offering of Rights Shares to Overseas Shareholders with registered addresses in these jurisdictions. Accordingly, the Directors have resolved to extend the Rights Issue to such Overseas Shareholders. These Overseas Shareholders, together with Shareholders with registered addresses in Hong Kong, shall be treated as Qualifying Shareholders. The Company has dispatched a copy of the Prospectus to each Non-Qualifying Shareholder for information only, but has not sent the PAL or EAF to them.

It is the responsibility of any person (including, without limitation, a nominee, agent and trustee) receiving the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares to satisfy themselves as to the full and relevant compliance of the laws of the relevant jurisdictions including the obtaining of any governmental or other consents and observing other formalities which may be required in such jurisdictions, and to pay any taxes, duties and other amounts required to be paid in such jurisdictions in connection therewith. Any acceptance of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that such local laws, regulations and requirements of the relevant territory or jurisdiction have been fully complied with. If you are in any doubt as to your position, you should consult a professional adviser.

This Prospectus is not an offer of the securities for sale in the United States. The Rights Shares offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. No public offering of Rights Shares is being made in the United States. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 who are residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

No fractional entitlement to the Rights Shares

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

Odd lot arrangement

No odd lot matching services will be provided.

Procedures for acceptance, payment and transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL(s) and/or EAF(s) by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions in connection with the PAL and/or the EAF(s) and any acceptance of the PAL, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application or subscription for or transfer of Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation.

LETTER FROM THE BOARD

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If a Qualifying Shareholder(s) wish(es) to take up his/her/their right to subscribe for any or all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "SILKWAVE INC — PAL" and crossed "Account Payee Only".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by the Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be made available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately upon receipt and any interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the nil-paid Rights Shares have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk.

LETTER FROM THE BOARD

Transfer and “Splitting” of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:30 p.m. on Monday, 9 February 2026 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the nil-paid Rights Shares.

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by no later than the Latest Time for Acceptance.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in nil-paid Rights Shares should be dealt with.

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 subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance; and
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders.

Basis of allocation of Excess Rights Shares

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;

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- (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.

Important notice to Beneficial Owners: 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.

Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares

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 Monday, 23 February 2026.

All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "SILKWAVE INC — EAF" and crossed "Account Payee Only".

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

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for Excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown on the Record Date in the register of members of the Company.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of an EAF together with a cheque or cashier's order in payment for the Excess Rights

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Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The Company is not obliged but may, at its absolute discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no Excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to that Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members, at their own risk.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for Excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for Excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the latest time for application and payment for Excess Rights Shares stated in the section headed "Expected Timetable" of this Prospectus, in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for Excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for Excess Rights Shares, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the date stated in the section headed "Expected Timetable" of this Prospectus as the latest time for application and payment for Excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect.

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The procedures for application for Excess Rights Shares by CCASS participants shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for Excess Rights Shares. HKSCC Nominees Limited will allocate the Excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of Excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the HKSCC Operational Procedures.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Tuesday, 3 March 2026. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Tuesday, 3 March 2026 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Stamp duty and other applicable fees

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

Taxation

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

Application for listing

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No securities of the Company in issue or the Rights Shares for which listing or permission to deal is to be sought is listed or dealt in on any other stock exchange. Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 4,000 Shares.

Admission of Rights Shares into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission

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requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as 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 whose Shares are held through CCASS should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

CONDITIONS OF THE RIGHTS ISSUE

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

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (ii) the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus and a letter in the agreed form are made available to the Non-Qualifying Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms; and
- (iv) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by Wednesday, 25 February 2026, the Rights Issue will not proceed. As at the Latest Practicable Date, no condition had been fulfilled.

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THE IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, the Board has not received any information or irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in (i) the provision of transmission and broadcasting of television programs (the “**CMMB Business**”); and (ii) the trading of printed circuit board (“**PCB**”) and artificial intelligence (“**AI**”) related products (the “**Trading Business**”).

Reasons for the Rights Issue

As disclosed in the Company’s annual report for FY2024 and the interim report for the six months period ended 30 June 2025, the Company has faced a declining revenue trend, decreasing from approximately US\$8.6 million for the year ended 31 December 2022 to approximately US\$6.4 million for FY2024. The Company also recorded continuous loss for the year since 31 December 2020. Additionally, the bank balances and cash of the Group have been low, amounted to approximately US\$889,000 as at 31 December 2024 and approximately US\$335,000 as at 30 June 2025 respectively.

During the 12 months prior to the Last Trading Day, the Company conducted two fund-raising activities, comprising a placing of new Shares under the general mandate (as detailed in the Company’s announcement dated 11 February 2025) and a subscription of new Shares under the general mandate (as detailed in the Company’s announcement dated 8 September 2025). These activities generated aggregate net proceeds of approximately HK\$16.1 million (please refer to the section headed “FUND RAISING EXERCISE IN THE PAST 12 MONTHS” below for details of the use of such net proceeds), out of which approximately HK\$15.1 million has been utilised in accordance with the intended purposes, with the remaining approximately HK\$1.0 million expected to be applied towards the Group’s general working capital by the end of 2025.

In light of the Group’s ongoing financial challenges and limited liquidity as mentioned above, the Directors consider that additional capital is essential to strengthen the financial position and business development of the Company. Regarding the CMMB Business, which is the major revenue stream of the Company, accounted for approximately 54.4% of the Company’s revenue for FY2024 and approximately 59.1% of the Company’s revenue for the six months period ended 30 June 2024, the Company intends to enhance and upgrade the existing relevant machines and equipment used in the CMMB business in order to maintain the competitiveness of the Company. The relevant machines and equipment has been using in the CMMB Business for over 4 years and will be phased out in the near future.

Regarding the Trading Business, which accounted for approximately 45.6% of the Company’s revenue for the year ended 31 December 2024 and approximately 40.9% of the Company’s revenue for the six months period ended 30 June 2024, the Company intends to enhance our services using the Company’s existing technology. Currently, the Trading Business operates on an outdated system that lacks a proper inventory management system to track stock and manage customer interactions, as well as limited supply chain management capabilities to optimise procurement, logistics and distribution

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processes. The Company is actively exploring the expansion of its online platform to modernise operations and reach a broader customers base, such as upgrading the real time checking system and integrated control system to monitor the status of the products. This digital expansion will not only improve customer accessibility but also support the integration of advanced technologies such as artificial intelligence (AI) and big data analytics. An up-to-date platform is the key to driving the Trading Business to the next level and meeting the customer's evolving needs in order to remain competitive in a rapidly changing world.

As stated in the paragraph headed "Prospects" under the section headed "Management Discussion and Analysis" of the Company's interim report of the Company for the six months period ended 30 June 2025, "The Company is deeply invested in pioneering advanced satellite communication services and applications within the science and technology sector", leverage on the existing technology of the Company can enhance the services provided to our customers in the Trading Business segment. Therefore, the Company intends to allocate approximately HK\$17.17 million for the installation of the hardware and software for the Trading Business segment in order to provide additional value-added services to our existing customers and potential new customers in order to increase the revenue to be generated from the Trading Business segment in the future.

In addition, Mr. Yang Tenghao ("Mr. Yang"), the executive Director, is an experienced expert in corporate management and media operations, with nearly two decades of experience in media communication, corporate brand operations, and cross-sector resource integration in PRC, Macau and Hong Kong. Mr. Yang has served in the broadcasting and satellite media industry, having held positions as director and general supervisor at Guangdong Television Station, special assistant to the executive chairman of the board and director of legal affairs at Hong Kong Chaosheng Satellite Television, and from 2012 to 2014, he served as chief operating officer and executive station head of Macau China Satellite Television, overseeing channel operations, program production, and cross-regional cooperation. Based on Mr. Yang experiences in satellite and media operation as stated above, the Company are of the view that the development of application of the Company's satellite technology is positive.

Use of proceeds

Assuming full subscription under the Rights Issues and no change in the number of Shares in issue on or before the Record Date, the net proceeds from the Rights Issue, after deducting estimated expenses, are expected to be approximately HK\$162.00 million. The Company intends to allocate the net proceeds (i) as to 33.5% (approximately HK\$54.27 million) for technology development and infrastructure for the CMMB Business to improve user interfaces and experience; (ii) as to 29.2% (approximately HK\$47.30 million) for the development of the Trading Business to deliver enhanced value-added services and expand the Trading Business into the PRC market; (iii) as to 8.4% (approximately HK\$13.61 million) for hiring additional manpower for business expansion in the PRC;

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(iv) as to 4.2% (approximately HK\$6.80 million) for marketing campaigns and promotions; (v) as to 16.3% (approximately HK\$26.41 million) for general working capital of the Group; and (vi) as to 8.4% (approximately HK\$13.61 million) for other investment opportunities to be identified. Details are set out below:

Use of proceeds		Allocation of the net proceeds <i>HK\$'million</i> <i>(approximately)</i>	Percentage of the net proceeds	Expected timeline on utilisation
(i)	technology development and infrastructure for the CMMB Business			
	— upgrading broadcasting infrastructure including base stations and data centers	20.09	12.4%	
	— procurement of equipment	16.04	9.9%	
	— enhancement of signal transmission and content delivery systems	14.09	8.7%	
	— development of software and applications	4.05	2.5%	
	Sub-total	54.27	33.5%	Expected to be used by December 2027
(ii)	development of the Trading Business			
	— development of the inventory management system to track stock and manage customer interactions	9.07	5.6%	
	— expansion of the online platform and systems to modernise operations	4.05	2.5%	
	— development of technical and after-sales support system and supply chain financing solutions	4.05	2.5%	
	— cash flow to expand the trading cycle in the PRC market	30.13	18.6%	
	Sub-total	47.30	29.2%	Expected to be used by December 2026

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Use of proceeds	Allocation of the net proceeds <i>HK\$'million</i> <i>(approximately)</i>	Percentage of the net proceeds	Expected timeline on utilisation
(iii) hiring additional manpower for business expansion in the PRC, such as additional personnel in sales & marketing, technical and administration	13.61	8.4%	Expected to be used by June 2027
(iv) marketing campaigns and promotions	6.80	4.2%	Expected to be used by December 2026
(v) general working capital, such as payment of staff salaries, settlement of professional fees, accounts and other payables, corporate utilities and expenses	26.41	16.3%	Expected to be used by December 2027
(vi) Other investment opportunities to be identified	13.61	8.4%	Expected to be used by December 2027
	<hr/>	<hr/>	
Total	<u>162.00</u>	<u>100.00%</u>	

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be prioritised for technology development and infrastructure enhancement for the CMMB Business and expansion of the Trading Business. Any excess amount will be allocated proportionally to the remaining categories.

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Rights Issue as the preferred fund-raising activity of the Group

The Board has considered various ways of raising funds and believes that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Board has evaluated various fund-raising alternatives before deciding on the Rights Issue, including but not limited to debt financing, placing of new Shares and open offer. Debt financing would impose an additional interest burden, increase the Group's gearing ratio and subject the Group to repayment obligations. Regarding equity fundraising, the Company recently conducted a subscription of new shares under the general mandate (as detailed in the Company's announcement dated 8 September 2025). While an open offer is similar to a rights issue in allowing qualifying shareholders to participate, it does not permit the free trading of rights entitlements in the open market. In contrast, the Board considers the Rights Issue, being pre-emptive in nature, to be the most suitable option, as it enables all qualifying shareholders to participate in the Company's future development. Additionally, it provides greater flexibility, allowing Qualifying Shareholders to maintain, increase, or decrease their pro-rata shareholdings by subscribing to their rights entitlements, acquiring additional rights entitlements, or selling their rights entitlements in the open market (subject to availability).

The Board considers that the terms of the Rights Issue are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

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EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purpose only, the shareholding structure of the Company assuming (i) no change in the number of Shares in issue on or before the Record Date; (ii) new Shares are allotted and issued upon full conversion of the Convertible Notes on or before the Record Date, but otherwise no other change in the issued Shares on or before the Record Date, are expected to be as follows:

(i) Assuming no change in the number of Shares in issue on or before the Record Date

	Immediately after completion of the Rights Issue					
	Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares (Note 3)			Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares (Note 2)		
	As at the Latest Practicable Date	Number of Shares	Approximate %	Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full	Number of Shares	Approximate %
Chi Capital (Note 1)	60,857,819		50.74%	243,431,276	243,431,276	80.47%
Other public Shareholders	59,082,715		49.26%	236,330,860	59,082,715	19.53%
	119,940,534		100.00%	479,762,136	302,513,991	100.00%
					236,330,860	100.00%

Notes:

- As at the Latest Practicable Date, Chi Capital is interested in 60,857,819 Shares, of which (i) 53,307,628 Shares are held by the Chi Capital.; and (ii) 7,550,191 Shares are held by Chi Capital Securities Limited, which is wholly-owned by Chi Capital. Chi Capital is wholly-owned by Mr. Wong.

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2. Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares (b) no Qualifying Shareholders has applied for the Excess Rights Shares; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, there will be 59,082,715 Shares held by public Shareholders, representing approximately 19.53% of the total issued Shares as enlarged by the allotment and issue of the Rights Shares, which will be below the minimum public float requirement of 25% under the Listing Rules. The Company has power and authority to apply adjustments to such number of Rights Shares to be offered to Chi Capital such that the minimum public float requirement under the Listing Rules, i.e. at least 25% of the Shares are held by the public at all times, is satisfied immediately after completion of the Rights Issue.
3. In the event that that total issued Shares as enlarged by the allotment and issue of the Rights Shares is below the minimum public float requirement of 25% under the Listing Rules, the Company will apply adjustments to and scale down the number of fully-paid Rights Shares to be allotted and issued to Chi Capital.

For illustration purpose only, assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, a total number of 66,183,131 fully-paid Rights Shares will not be allotted and issued to Chi Capital such that at least 25% of the total number of issued Shares are held by public immediately after completion of the Rights Issue. The Subscription Price in respect of the 66,183,131 unallotted and unissued Rights Shares will be refunded to Chi Capital, and the size of the Rights Issue will be reduced accordingly.
4. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

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(ii) Assuming new Shares are allotted and issued upon full conversion of the Convertible Notes on or before the Record Date, but otherwise no other change in the issued Shares on or before the Record Date

		Immediately after completion of the Rights Issue			
		Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; (c) the number of Rights Shares allotted and issued to Chi Capital is scaled down to comply with the public float requirement; and (d) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares (Note 4)		Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares; (b) no Qualifying Shareholders has applied for the Excess Rights; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares (Note 3)	
	Assuming new Shares are allotted and issued upon full conversion of the Convertible Notes on or before the Record Date	Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full	
		Number of Shares	Approximate %	Number of Shares	Approximate %
Chi Capital (Notes 1 & 2)		68,637,819	53.74%	274,551,276	53.74%
Other public Shareholders		59,082,715	42.26%	236,330,860	46.26%
		127,720,534	100.00	510,882,136	100.00
				333,633,991	100.00
				274,551,276	82.29%
				59,082,715	17.71%
				236,330,860	100.00
				59,082,715	25.00
				177,248,145	75.00

Notes:

- As at the Latest Practicable Date, Chi Capital holds the Convertible Notes with the outstanding principal amount of US\$7,000,000, which are convertible into 7,780,000 Shares, subject to the conditions and terms of the instrument of the Convertible Notes. According to the instrument, Chi Capital is not entitled to exercise the conversion rights if (i) the public float of the Company falls below the minimum public float requirement under Rule 8.08 of the Listing Rules; or (ii) the aggregate shareholding interest to be held by Chi Capital in the Company upon conversion, together with the shareholding interest of the parties acting in concert with it in the Company, to become equal to exceed 30% of the total Shares in issue or any other threshold which will trigger the obligation on the part of Chi Capital to make a mandatory general offer pursuant to the Takeovers Code.

2. For illustration purpose only, assuming Chi Capital fully converts the Convertible Notes on or before the Record Date and no other new Shares will be allotted, Chi Capital will be interested in 68,637,819 Shares, of which (i) 7,780,000 Shares being converted from the Convertible Notes; (ii) 53,307,628 Shares are held by the Chi Capital; and (iii) 7,550,191 Shares are held by Chi Capital Securities Limited, which is wholly-owned by Chi Capital. Chi Capital is wholly-owned by Mr. Wong.
3. Assuming (a) none of the Qualifying Shareholders other than Chi Capital has taken up their respective entitlements of the Rights Shares (b) no Qualifying Shareholders has applied for the Excess Rights Shares; and (c) no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, there will be 59,082,715 Shares held by public Shareholders, representing approximately 17.71% of the total issued Shares as enlarged by the allotment and issue of the Rights Shares, which will be below the minimum public float requirement of 25% under the Listing Rules. The Company has power and authority to apply adjustments to such number of Rights Shares to be offered to Chi Capital such that the minimum public float requirement under the Listing Rules, i.e. at least 25% of the Shares are held by the public at all times, is satisfied immediately after completion of the Rights Issue.

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FUND RAISING EXERCISE IN THE PAST 12 MONTHS

Set out below is the fundraising activities conducted by the Company during the past twelve months immediately prior to the date of the Announcement:

Date of announcements	Fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
11 February 2025	Subscription of new shares under general mandate	HK\$4,765,000	(i) approximately HK\$2.0 million for payment of professional fees; and (ii) approximately HK\$2.8 million for payment of staff salaries, office rental, utilities and other operating expenses	Used as intended
8 September 2025	Subscription of new shares under general mandate	HK\$11,300,000	(i) approximately HK\$4.0 million for payment of professional fees; (ii) approximately HK\$3.0 million for enhance cashflow for trading business; and (iii) approximately HK\$4.3 million for payment of staff salaries, office rental, utilities and other operating expenses	Save for approximately HK\$1 million which is expected to be utilised for payment of staff salaries, office rental, utilities and other operating expenses as intended by December 2025, other net proceeds are fully used as intended

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POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE NOTES

As at the Latest Practicable Date, the Company has outstanding Convertible Notes which is convertible into 7,780,000 Shares. Pursuant to the terms of the Convertible Notes, the conversion price of the Convertible Notes is subject to adjustment upon the occurrence of, among others, rights issues of the Company.

The Company will notify the holders of the Convertible Notes and the Shareholders by way of announcement as and when appropriate regarding adjustments to be made (if any) pursuant to the terms and conditions of the Convertible Notes.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other share options, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares (excluding treasury shares) by more than 50% within the 12-month period immediately preceding the Latest Practicable Date, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the Latest Practicable Date, Chi Capital, being a controlling shareholder of the Company, directly holds 60,857,819 Shares, representing approximately 50.74% of the total issued share capital of the Company as at the Latest Practicable Date. Chi Capital is a company wholly-owned by Mr. Wong, the chairman of the Board and the executive Director of the Company. Accordingly, Chi Capital, Mr. Wong and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Rights Issue does 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.

Save for Mr. Lui, who was the non-executive Director and one of the directors of the Financial Adviser, the Financial Adviser is independent of the connected persons of the Company under the Listing Rules. Mr. Lui resigned as a non-executive Director of the Company with effect from 26 November 2025 and is therefore no longer a Director of the Company. Except for Mr. Lui, none of the Directors has a material interest in the engagement of the Financial Adviser and the transaction contemplated thereunder and therefore no Director (other than Mr. Lui) has abstained from voting on the Board resolution(s) of the Company to approve the engagement of the Financial Adviser and the transactions contemplated thereunder.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

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 Shareholder or other person dealing in Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. There is no minimum amount to be raised under the Rights Issue. 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 Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

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

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board
SILKWAVE INC
Wong Chau Chi
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://silkwave.com.hk/>).

- (i) Annual report of the Company for the year ended 31 December 2024 (pages 80 to 172):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042904728.pdf>
- (ii) Annual report of the Company for the year ended 31 December 2023 (pages 81 to 184):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042904089.pdf>
- (iii) Annual report of the Company for the year ended 31 December 2022 (pages 93 to 200):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802210.pdf>
- (iv) Interim report of the Company for the six months ended 30 June 2025 (pages 20 to 44)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0930/2025093001144.pdf>

2. STATEMENT OF INDEBTEDNESS**INDEBTEDNESS STATEMENT**

As at the close of business on 31 December 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

Convertible notes

As at the Latest Practicable Date, the Group had outstanding unsecured convertible note in an aggregate principal amount of approximately HK\$54,460,000 (equivalent to US\$7,000,000). The convertible notes are non-interest bearing and will mature on 3 September 2028. Subject to the terms and conditions of the relevant instrument, the convertible notes are, convertible into shares of the Company at a conversion price of HK\$7.00 per share.

Lease liabilities

As at 31 December 2025, the Group, as a lessee, had lease liabilities with outstanding principal amount of approximately US\$4,000.

Save as aforesaid, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, lease liabilities or hire purchase commitments, liabilities under acceptances or acceptances credits, or any guarantees, or any other contingent liabilities outstanding at the close of business as at the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this Prospectus in the absence of any unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

For the year ended 31 December 2024, the Group was engaged in the CMMB Business and the Trading Business, generating revenue of approximately US\$6.4 million (2023: approximately US\$7.3 million). The decrease in revenue of approximately US\$0.9 million was mainly attributed to a decrease in the Trading Business, especially on the trading of AI products, due to sluggish economic conditions. The Group recorded a loss for the year of approximately US\$9.5 million (2023: approximately US\$75.0 million). Loss per Share was approximately US\$0.10 (2023: approximately US\$0.80), while net assets per Share was approximately US\$0.26 (2023: approximately US\$0.02).

In recent years, the LPTV market in the United States has undergone significant transformation, driven by the digital switchover, emerging technologies, and evolving regulatory frameworks. These developments have created new opportunities for creativity and collaboration. The Group has actively partnered with local content providers and fellow broadcasters, establishing strong relationships that enrich its programming offerings.

As audiences increasingly shift from traditional TV sets to smartphones, there is a growing demand for digital TV programming that emphasizes interactivity and engagement. This evolution presents an opportunity to enhance the viewing experience, making it more immersive and dynamic. The Group is well positioned to capitalise on this trend, believing that delivery high-quality digital content will not only attract new viewers but also foster loyalty among existing audiences.

The Group is committed to leveraging its core CMMB-based broadcasting technology to develop a horizontally diversified, next-generation data platform that integrates media, communications, and data-driven services. This development represents a pivotal step toward transforming its satellite broadcasting capabilities into a comprehensive data distribution and analytics ecosystem that supports cross-industry applications and digital innovation. At the same time, the Group will integrate this data platform initiative with its trading operations to foster synergistic growth across the technology and digital sectors. This interconnected approach will enhance value creation, strengthen market adaptability, and position the Group at the forefront of the evolving digital economy.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2025 (the "Unaudited Pro Forma Financial Information") has been prepared by the directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 as if the Rights Issue had taken place on 30 June 2025.

The Unaudited Pro Forma Financial Information was prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025, as extracted from the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025, after incorporating the unaudited pro forma adjustments described in the accompanying notes. The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue or any future date after completion of the Rights Issue.

		Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 after completion of the Rights Issue	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2025 after completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share as at 30 June 2025 after completion of the Rights Issue
US\$'000	US\$'000	US\$'000	US\$	US\$
(Note 1)	(Note 2)		(Note 3)	(Note 4)
3,861	20,823	24,684	0.04	0.05

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 is extracted from the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025, which is based on the consolidated net assets attributable to the owners of the Company as at 30 June 2025 of approximately US\$18,863,000 with an adjustment for the intangible assets attributable to the owners of the Company as at 30 June 2025 of approximately US\$15,002,000.
2. The estimated net proceeds from the Rights Issue are based on 359,821,602 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.455 per Rights Share after deduction of the estimated professional fees and other related expenses payable by the Company.
3. The unaudited consolidated net tangible assets per Share as at 30 June 2025 is calculated on the basis that 95,319,494 Shares were in issue on 30 June 2025, without taking into account the effect of the Rights Issue.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 immediately after completion of Rights Issue of approximately US\$24,684,000, divided by 455,141,096 Shares which represents (i) 95,319,494 Shares in issue as at 30 June 2025 and (ii) 359,821,602 Rights Shares to be issued under the Rights Issue.
5. Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

The following is the text of a report received from Linksfeld CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Silkwave Inc.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Silkwave Inc. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2025, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated 3 February 2026 (the "Prospectus"), in connection with the rights issue on the basis of three (3) rights shares for every one (1) share held on the record date (the "Transaction"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 30 June 2025 as if the Transaction had taken place at 30 June 2025. As part of this process, information about the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 has been extracted by the Directors from the Group's unaudited consolidated financial information for the six months ended 30 June 2025, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

LINKSFIELD CPA LIMITED*Certified Public Accountants***Chan Tsz Yeung**

Practising Certificate Number: P08054

Hong Kong, 3 February 2026

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue); and (iii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date other than the full conversion and full subscription under the Rights Issue) are as follows:

(i) As at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
500,000,000,000	Shares	<u>5,000,000,000</u>
<i>Issued and fully paid:</i>		
119,940,534	Shares	<u>1,199,405.34</u>

(ii) Immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue):

<i>Authorised:</i>		<i>HK\$</i>
500,000,000,000	Shares	<u>5,000,000,000</u>
<i>Issued and fully paid:</i>		
119,940,534	Shares	1,199,405.34
359,821,602	Rights Shares to be allotted and issued under the Rights Issue	<u>3,598,216.02</u>
		<u>4,797,621.36</u>

- (iii) immediately after the completion of the Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the full conversion and full subscription under the Rights Issue):

Authorised: HK\$

500,000,000,000	Shares	5,000,000,000
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Issued and fully paid:

119,940,534	Shares	1,199,405.34
7,780,000	Issue of Shares assuming the full conversion	77,800
383,161,602	Rights Shares to be allotted and issued under the Rights Issue	3,831,616.02
		5,108,821.36

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

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. 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 Rights Shares (in both nil-paid and fully paid forms) will be traded in the board lots of 4,000 Shares.

Save for the outstanding Convertible Note with an aggregate principal amount of USD7,000,000 with the conversion rights entitling the holders to convert such Convertible Note into 7,780,000 Shares in total, as at the Latest Practicable Date, the Group had no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Director

Mr. WONG Chau Chi (“Mr. Wong”), aged 60, was appointed as an executive Director in May 2007. Mr. Wong is currently the chief executive of the Group, the chairman of the Board and the chairman of the nomination committee of the Company. Mr. Wong has extensive experiences in finance, technology and industrial management, working for a variety of companies including Goldman Sachs, Citibank, and BNP Paribas, and McKinsey, and General Electric. Mr. Wong graduated from the Pomona College in the US with a BA in Economics and International Relations, from the Harvard Kennedy School of Government with an MPP, and matriculated by the St. Antony’s College, Oxford reading Political History. Mr. Wong did not hold any position nor directorship in other listed companies in the three preceding years.

Ms. WOO Lan Ying (“Ms. Woo”), aged 57, was appointed as an executive Director and Vice-Chairperson on 14 May 2024. Ms. Woo is an entrepreneur operating various businesses, including but not limited to consultancy and entertainment business. Ms. Woo has extensive experience in corporate management and project investments. Ms. Woo also involved in a lot of charitable and community activities and was a member of the Campaign Committee of The Community Chest of Hong Kong for the year of 2018/2019. Ms. Woo had been an executive director and vice chairman of Hing Ming Holdings Limited (Stock Code: 8425), a company listed on the GEM of the Stock Exchange, for the period from March 2021 to January 2022. Ms Woo (i) had been appointed as an executive Director since 1 December 2020 and redesignated as chairman of the board on 30 June 2021 of Jisheng Group Holdings Limited (Stock Code: 8133), and it is listed in the GEM Board of the Stock Exchange; (ii) had been appointed as an executive director and the chief executive officer of Yuk Wing Group Holdings Limited (Stock Code: 1536), and it is listed in the Main Board of the Stock Exchange, since 2 July 2024; (iii) had been appointed as an executive director and chairman of the NOVA Group Holdings Limited (Stock Code: 1360), and it is listed in the Main Board of the Stock Exchange, on 9 January 2025.

Mr. YANG Tenghao (“Mr. Yang”), aged 43, was appointed as an executive Director on 4 September 2025. Mr. Yang is an experienced expert in corporate management and media operations, with nearly two decades of experience in media communication, corporate brand operations, and cross-sector resource integration in Mainland China and the Greater China region. Mr. Yang has served in the broadcasting and satellite media industry, having held positions as Director and General Supervisor at Guangdong Television Station, Special Assistant to the Executive Chairman of the Board and Director of Legal Affairs at Hong Kong Chaosheng Satellite Television, and from 2012 to 2014, he served as Chief Operating Officer and Executive Station Head of Macau China Satellite Television, overseeing channel operations, program production, and cross-regional cooperation.

Mr. Yang has also achieved distinction in corporate strategy and public affairs. He served as Vice President of the Shenzhen Economic Association and successfully planned and executed film and television projects such as “The Running Mother”, securing government funding support. In 2019, as a General Manager, he successfully facilitated the listing of Ningbo Zhenyi Culture and Entertainment Company Limited on National Equities Exchange and Quotations (Stock Code: 873163), demonstrating outstanding capital operation and corporate management capabilities.

Mr. Yang holds important positions in numerous industrial and social organizations, including Vice Chairman of the Asia-Pacific Media Think Tank, Deputy Secretary-General of the World Chinese Entrepreneurs Sustainable Development Summit, and Honorary Chairman of the 2012 World Tourism Culture Miss Guangdong Competition. He has also been recommended as a professional member of the Hong Kong Televisioners Association.

Mr. Yang graduated with a degree in Law from Guangzhou University and a degree in Business Administration from Beijing University of Aeronautics and Astronautics. He furthered his studies in the SME Merger and Acquisition Executive Program at Sun Yat-sen University Shenzhen Research Institute and received an honorary doctorate from Colorado Engineering University in 2024. With a background in law and expertise in business administration, he excels in corporate governance, brand operations, and public relations management. He has participated multiple times in mainstream media program production and large-scale cultural event planning, possessing extensive cross-sector influence and resource coordination capabilities.

Non-executive Director

Ms. HU Manqiu (“Ms. Hu”) aged 40, was appointed as a non-executive Director on 7 January 2026. Ms. Hu possesses extensive experience in corporate management and investment. She also serves as the executive director and legal representative of several companies. She served as the chairman of Qiligang (Group) Co., Ltd.* (七里港(集團)有限公司) from June 2016 to September 2022. She also concurrently held the positions of executive director and legal representative in several entities, including Shanghai Duoshi Enterprise Management Service Center* (上海奪時企業管理服務中心), Shanghai Taozhi Investment Center* (上海韜知投資中心), Qiligang Financial Leasing Co., Ltd.* (七里港融資租賃有限公司), Shanghai Oujiang Industrial Co., Ltd.* (上海鷗江實業有限公司), Shanghai Hongluo Asset Management Co., Ltd.* (上海泓羅資產管理有限公司), Shanghai Rongtian Internet Financial Information Service Co., Ltd.* (上海容添互聯網金融信息服務有限公司) and Shanghai Jijin Asset Management Co., Ltd.* (上海稷瑾資產管理有限公司). Furthermore, Ms. Hu made investments in Yantai Beifang Wenzhou City Development Co., Ltd.* (煙台北方溫州城開發有限公司) and Yantai Shenou Property Management Co., Ltd.* (煙台申鷗物業管理有限公司), respectively.

Independent Non-executive Directors

Mr. LAM Cheung Shing Richard (“Mr. Lam”), aged 68, was appointed as an independent non-executive Director on 12 August 2025. Mr. Lam is a fellow member of Hong Kong Institute of Certified Public Accountants and obtained the Master’s Degree in Business Administration in the Chinese University of Hong Kong in 2006. He spent over ten years in PricewaterhouseCoopers, an international accounting firm and was promoted to the position of senior audit manager, and is equipped with extensive experience in accountancy, taxation and corporate finance. Mr. Lam served as Executive Director of Everchina International Holdings Limited (“**Everchina**” stock code: 0202), whose shares are listed on the Main Board of the Stock Exchange, from August 2001 to October 2023 and was designated as Deputy Chairman and CEO of Everchina since 2009 until his retirement in October 2023. Mr. Lam was appointed as a director in various companies whose shares are listed on the Main Board of the Stock Exchange during the period from December 2001 to December 2014, namely: China Pipe Group Limited (stock code: 380), Eagle Legend Asia Limited (now known as Kaisa Capital Investment Holdings Limited) (stock code: 936), and Kai Yuan Holdings Limited (stock

code: 1215). Mr. Lam currently still act as an INED of the following companies, namely: Far East Holdings Company Limited (stock code: 0036), China Water Industry Group Limited (stock code: 1129) and Legend Strategy International Holdings Group Limited (stock code: 1355), all of these companies are listed on 2 the Main Board of the Stock Exchange; and Lajin Entertainment Network Group Limited (stock code: 8172), a company listed on the GEM of the Stock Exchange.

Mr. CHOW Kin Wing, (“**Mr. Chow**”), aged 43, was appointed as an independent non-executive Director on 12 October 2020. He holds a Bachelor degree in Accounting and Finance from the Queensland University of Technology, Australia. Mr. Chow is currently the chairman of each of the audit committee, nomination committee and remuneration committee of the Company. Mr. Chow is an associate member of Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He has more than 15 years of experience in financial management, auditing and accounting in an international accounting firm and a listed company in Hong Kong. Mr. Chow was an independent non-executive director of Hong Kong Finance Investment Holding Group Limited (stock code: 7), a company listed on the Main Board of the Stock Exchange during the period from May 2020 to October 2020. Save as aforesaid, Mr. Chow did not hold any directorship in other listed companies in the three preceding years.

Mr. TAM Hon Wah (“**Mr. Tam**”), aged 58, was appointed as an independent non-executive Director on 29 September 2021. Mr. Tam was appointed as an independent non-executive Director in September 2021. Mr. Tam is currently a member of each of the audit committee, nomination committee and remuneration committee of the Company. Mr. Tam is the managing director of A.I. International Limited and Chief Technology Officer of PR1 Media Limited. Mr. Tam holds a Master degree in Information Systems Management from University of Greenwich in United Kingdom, and obtained Diploma in Business Strategy and Information Technology from National Computer Center, United Kingdom in 2009. Mr. Tam also holds a number of other public and community service positions. Mr. Tam is a board member of the Indonesia Chamber of Commerce in Hong Kong, a committee member of Wan Chai West Area Committee of Home Affairs Department, and the vice-chairman of Friends of The Community Chest Wan Chai District Committee. Mr. Tam was also a committee member of the Television and Radio Consultative Group of the Office of the Communications Authority from 2010 to 2015. Mr. Tam was awarded the Most outstanding Chapter President award of Junior Chamber International (ASPAC) in 2006 and the Most outstanding Chapter President of Junior Chamber International (Hong Kong) in 2005. Mr. Tam was also awarded the Secretary for Home Affairs Commendation award in 2012. Mr. Tam did not hold any directorship in other listed companies in the three preceding years.

Senior management

Ms. LI Qun (“**Ms. Li**”) is a managing director of the China business operation. Ms. Li has over 20 years of experience in CMMB/DTH chipset design and CMMB network system integration. She was the co-founder of Telepath Technologies Co., Ltd. and the chief operating officer for TiMi Technologies Co., Ltd., a company formed by the Chinese Academy of Broadcasting Science at National Radio and Television Administration (“**NRTA**”). She holds a bachelor degree in Science from Shanghai Jiao Tong University and a master degree in Science from Tsinghua University.

4. DISCLOSURE OF INTERESTS

(i) *Directors' interests in the shares of the Company*

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 to the Listing Rules (the "Model Code") were as follows:

Long positions in the Shares

Name of Directors	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding
Mr. WONG Chau Chi	Interests in a controlled corporation (<i>note 1</i>)	60,857,819	50.74%
Mr. CHOW Kin Wing	Beneficial owner	65,000	0.05%
Mr. TAM Hon Wah	Beneficial owner	25,000	0.02%

Note:

1. As at the Latest Practicable Date, Chi Capital was interested in 60,857,819 Shares, of which (i) 53,307,628 Shares are held by Chi Capital; and (ii) 7,550,191 Shares are held by Chi Capital Securities Limited, which is wholly owned by Chi Capital. Chi Capital is wholly owned by Mr. Wong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, or chief executives of the Company has any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

(ii) Substantial shareholders' interests in the shares of the Company

Name of Directors	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding
Mr. WONG Chau Chi	Interests in a controlled corporation (<i>note 1</i>)	60,857,819	50.74%

Note:

1. As at the Latest Practicable Date, Chi Capital was interested in 60,857,819 Shares, of which (i) 53,307,628 Shares are held by Chi Capital; and (ii) 7,550,191 Shares are held by Chi Capital Securities Limited, which is wholly owned by Chi Capital. Chi Capital is wholly owned by Mr. Wong.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (other than the Directors and chief executives of the Company) who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up.

As at the Latest Practicable Date, there was no other contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been named in this Prospectus or has given opinion, letters or advice contained in this Prospectus:

Name	Qualification
Linksfield CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters and the reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

8. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	Executive Director Mr. WONG Chau Chi (<i>Chairman</i>) Ms. WOO Lan Ying (<i>vice chairperson</i>) Mr. YANG Tenghao Non-executive Director Ms. HU Manqiu Independent Non-executive Directors Mr. LAM Cheung Shing Richard Mr. CHOW Kin Wing Mr. TAM Hon Wah
Audit committee	Mr. CHOW Kin Wing (<i>Chairman</i>) Mr. LAM Cheung Shing Richard Mr. TAM Hon Wah
Nomination committee	Mr. WONG Chau Chi (<i>Chairman</i>) Mr. LAM Cheung Shing Richard Mr. CHOW Kin Wing Mr. TAM Hon Wah

Remuneration committee	Mr. LAM Cheung Shing Richard (<i>Chairman</i>) Mr. CHOW Kin Wing Mr. TAM Hon Wah
Company secretary	Mr. TAM Sik Wai (<i>HKCGI</i>)
Authorised representatives	Mr. WONG Chau Chi Mr. KWONG Chun Chung
Registered office	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
Headquarter and principal place of business in Hong Kong	Unit B1, 8/F, Kingston International Centre 19 Wang Chiu Road Kowloon Bay Kowloon, Hong Kong
Business address of all Directors and authorised representatives	Unit B1, 8/F, Kingston International Centre 19 Wang Chiu Road Kowloon Bay Kowloon, Hong Kong
Hong Kong branch share registrar and transfer office	Computershare Hong Kong Investor Services Limited 17M Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Principal banker	The Hongkong and Shanghai Banking Corporation Limited <i>1 Queen's Road Central, Hong Kong</i>
Auditor	Linksfield CPA Limited <i>Registered Public Interest Entity Auditors</i>
Legal adviser to the Company as to Hong Kong laws	TAM, PUN & YIPP <i>25/F, Tung Hip Commercial Building, 244-248 Des Voeux Road Central, Hong Kong</i>

9. MATERIAL CONTRACTS

Save for the following, there was no material contract (not being contracts entered into in the ordinary course of business) which had been entered into by the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the subscription agreement dated 8 September 2025 entered into between the Company and Mr. Yu Zhuangzhu and Ms. Wang Lisu in relation to the subscription of an aggregate 19,063,898 new Shares for an aggregate consideration of approximately HK\$11,438,000 at the subscription price of HK\$0.60 per subscription shares. The subscription completed on 18 September 2025;

- (ii) the memorandum of understanding dated 11 July 2025 entered into between the Company and Kashgar Zhongjia Food Industry Co., Ltd. in relation to the building of a sustainable strategic cooperation mechanism relating to, amongst others, establishing a next-generation satellite internet media information service ecosystem; deepening strategic market presence in China and Southeast Asia; enhancing corporate value through platform technology innovation; advancing in high-potential sectors where satellite communications converge with AI, such as direct satellite-to-mobile internet connectivity, IoT for mobile terminals, vehicle networks, industrial IoT, smart agriculture, and the low-altitude economy;
- (iii) the memorandum of understanding dated 26 March 2025 entered into between the Company and Sichuan Hefeng Zhitong Biotechnology Co., Ltd. in relation to the collaboration to enhance the quality and output of agricultural products and to strengthen technical cooperation, including (but not limited to) joint research and development in satellite services and applications within the science and technology sector; and
- (iv) the subscription agreement dated 11 February 2025 entered into between the Company and Advance Sino Investments Limited and Peak Honour Limited in relation to the subscription of an aggregate 5,700,000 new Shares for an aggregate consideration of approximately HK\$4,845,000 at the subscription price of HK\$0.85 per subscription shares. The subscription completed on 24 February 2025.

10. LITIGATION

On 18 October 2019, Mr. Hamza Farooqui (“**Mr. Farooqui**”) filed a claim against Silkwave Holdings (the “**Silkwave**”), the Company, Chi Capital Holdings Ltd., Mr. Wong Chau Chi (an executive director of the Company) and three other related parties of Silkwave for breach of implied contract, quantum meruit, promissory estoppel, unjust enrichment, breach of contract, fraud and fraud in the inducement, constructive trust, and defamation (the “**Claim**”). In the Claim, it is alleged that, among other matters, the defendants in the Claim are liable to Mr. Farooqui for certain work he performed for the benefit of the defendants in connection with business transactions involving satellite assets in Asia and Africa and certain compensations.

On 29 January 2025, the court dismissed the Claim against the Company.

11. EXPENSES

The expenses in relation to the Rights Issue (including financial advisory fees, printing, translation, registration, legal, accounting, levy and documentation charges) payable by the Company are estimated to be approximately HK\$1.72 million, which are payable by the Company.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “7. Qualification and Consent of Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

14. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (<https://www.hkex.com.hk>) and the website of the Company (<https://silkwave.com.hk>) for a period of 14 days from the date of this Prospectus:

- (i) the accountant’s report on the unaudited pro forma financial information of the Group issued by Linksfeld CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (ii) the material contracts referred to in the paragraph headed “9. Material contracts” of this appendix;
- (iii) the written consent referred to in paragraph headed “7. Qualification and Consent of Expert” of this appendix; and
- (iv) the Prospectus Documents.

15. MISCELLANEOUS

- 1. As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- 2. This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text of this prospectus shall prevail over the Chinese text unless otherwise specified.