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**TAYANG 大洋**

**TA YANG GROUP HOLDINGS LIMITED**

**大洋集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1991)**

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

**PROPOSED CAPITAL REORGANISATION**

The Company proposes to implement the Capital Reorganisation involving:

- (i) the Capital Reduction whereby the nominal or par value of each issued Existing Share will be reduced from HK\$1.00 to HK\$0.10 by cancelling the paid-up capital to the extent of HK\$0.90 on each issued Existing Share;
- (ii) the Share Subdivision whereby immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share of a nominal or par value of HK\$1.00 each will be sub-divided into ten (10) New Shares of a nominal or par value of HK\$0.10 each; and
- (iii) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) will be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* in all respects with each other and will have the rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.

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

### **PROPOSED RIGHTS ISSUE**

The Company proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of two (2) Rights Shares for every one (1) New Share held on the Record Date at the Subscription Price of HK\$0.80 per Rights Share, to raise up to (i) approximately HK\$275.21 million (before deducting professional fees and other related expenses) by issuing up to 344,013,400 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date); or (ii) approximately HK\$300.11 million (before deducting professional fees and other related expenses) by issuing up to 375,141,804 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds) to the Qualifying Shareholders.

The Subscription Price of HK\$0.80 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

As at the date of this announcement, the Company has not received any information or irrevocable undertaking from any shareholder of the Company of any intention to take up his/her/its entitlements under the Rights Issue (or otherwise).

Assuming no change in the number of issued Shares on or before the Record Date, the Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 200.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 66.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subject to the fulfilment and/or waiver (where applicable) for the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

If there is an under-subscription of the Rights Issue as a result of Untaken Rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of Untaken Rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.**

## **LISTING RULES IMPLICATIONS**

### **Capital Reorganisation**

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of special resolution at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Capital Reorganisation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Capital Reorganisation at the EGM.

### **Rights Issue**

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within a 12 months period immediately preceding the date of this announcement, the Rights Issue is conditional upon the minority Shareholder's approval at the EGM, and 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) in relation to the Rights Issue at the EGM. As such, the controlling shareholders of the Company, namely, Lyton Maison Limited, Ms. Shi and their associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM. Save for Ms. Shi and Lyton Maison Limited, no Shareholders and Directors are required to abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

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

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

In this connection, an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue and the respective voting recommendations.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Rights Issue and the transactions contemplated hereunder. The Circular containing, among other things, (i) details of the Capital Reorganisation; (ii) further details of the Rights Issue; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from an independent financial adviser; (v) the notice convening the EGM; and (vi) other disclosure requirements under the Listing Rules is expected to be despatched by the Company to the Shareholders on or before Friday, 20 February 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on Monday, 30 March 2026. The Company will despatch the Prospectus to the Excluded Shareholders (if any) to the extent legally permitted for their information only, but the Company will not send the PALs and EAFs to the Excluded Shareholders.

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

**The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of Untaken Rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived (where applicable), and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

## **PROPOSED CAPITAL REORGANISATION**

The Company proposes to implement the Capital Reorganisation involving:

- (i) the Capital Reduction whereby the nominal or par value of each issued Existing Share will be reduced from HK\$1.00 to HK\$0.10 by cancelling the paid-up capital to the extent of HK\$0.90 on each issued Existing Share;
- (ii) the Share Subdivision whereby immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share of a nominal or par value of HK\$1.00 each will be sub-divided into ten (10) New Shares of a nominal or par value of HK\$0.10 each; and
- (iii) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) will be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

### **Effects of the Capital Reorganisation**

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 2,000,000,000 Existing Shares of a nominal or par value of HK\$1.00 each, and there are 172,006,700 Existing Shares in issue which are fully paid or credited as fully paid.

Assuming that there will be no change in the number of issued Existing Shares from the date of this announcement up to and including the date on which the Capital Reorganisation becomes effective, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 20,000,000,000 New Shares, of which 172,006,700 New Shares will be in issue. The aggregate nominal value of the issued share capital of the Company will become HK\$17,200,670, and the amount deemed to be paid up on each New Share is HK\$0.10.

The table below summarises the effect of the Capital Reorganisation (assuming that there will be no change in the number of Existing Shares from the date of this announcement up to and including the date on which the Capital Reorganisation becomes effective):

	<b>As at the date of this announcement</b>	<b>Immediately upon the Capital Reorganisation becoming effective</b>
Par value	HK\$1.00 per Existing Share	HK\$0.10 per New Share
Number of authorised Shares	2,000,000,000 Existing Shares	20,000,000,000 New Shares
Amount of authorised share capital of the Company	HK\$2,000,000,000	HK\$2,000,000,000
Number of issued Shares	172,006,700 Existing Shares	172,006,700 New Shares
Amount of the issued share capital of the Company	HK\$172,006,700	HK\$17,200,670

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* in all respects with each other and will have the rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.

Other than the relevant expenses incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

### **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reorganisation and transactions contemplated thereunder;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Ordinary Shares upon the Capital Reorganisation becoming effective;

- (iii) registration by the Registrar of Companies in the Cayman Islands of a copy the solvency statement to be made by the directors of the Company in the prescribed form under the Companies Act, confirming that the Company will be able to pay its debts as they fall due in the ordinary course of business, and the minute containing the particulars required under the Companies Act with respect to the Capital Reduction;
- (iv) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

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

### **Listing and Dealings**

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the New Shares to be admitted into CCASS.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second 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. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

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

### **Free exchange of share certificates**

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Wednesday, 18 March 2026 until Wednesday, 22 April 2026 (both days inclusive), submit share certificates for the Existing Shares (in blue colour) to the Registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the New Shares (in yellow colour). Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders

for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. All existing certificates of the Shares will continue to be evidence of title to such Shares and be valid for delivery, trading and settlement purpose.

### **Reasons for the Capital Reorganisation**

The proposed Capital Reorganisation will enable the nominal or par value of the Existing Shares to be reduced from HK\$1.00 to HK\$0.10 each. The credit arising from the Capital Reduction of approximately HK\$154.81 million will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. Further, under the Companies Act, the Company is restricted in its ability to issue Shares at a price lower than their nominal or par value. The Capital Reduction will reduce the par value of the Shares, which allow the Company to conduct the Rights Issue at the Subscription Price of HK\$0.80 per Rights Share, and will also provide the Company with greater flexibility to accommodate the issue of further new Shares in the future when necessary.

The Board believes that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

### **PROPOSED RIGHTS ISSUE**

The Company proposes, subject to the Capital Reorganisation becoming effective, to implement the Rights Issue on the basis of two (2) Rights Shares for every one (1) New Share held on the Record Date at the Subscription Price of HK\$0.80 per Rights Share, to raise up to (i) approximately HK\$275.21 million (before deducting professional fees and other related expenses) by issuing up to 344,013,400 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date); or (ii) approximately HK\$300.11 million (before deducting professional fees and other related expenses) by issuing up to 375,141,804 Rights Shares (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds) to the Qualifying Shareholders.

The Rights Issue will not be extended to the Excluded Shareholder(s). The terms of the Rights Issue are set out below:

### **Issue statistics**

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) New Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.80 per Rights Share
Number of Existing Shares in issue as at the date of this announcement	:	172,006,700 Existing Shares
Number of New Shares in issue upon the Capital Reorganisation becoming effective	:	172,006,700 New Shares
Maximum number of Rights Shares to be issued under the Rights Issue	:	Up to 344,013,400 Rights Shares (assuming no change in the number of New Shares in issue on or before the Record Date)  Up to 375,141,804 Rights Shares (assuming no change in the number of New Shares in issue on or before the Record Date other than the conversion in full of the Convertible Bonds)
Aggregate nominal value of the Rights Shares	:	Up to HK\$34,401,340 (assuming no change in the number of Shares in issue on or before the Record Date)  Up to HK\$37,514,180 (assuming no change in the number of Shares in issue on or before the Record Date other than the conversion in full of the Convertible Bonds)
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 516,020,100 Shares (assuming no change in the number of Shares in issue on or before the Record Date)  Up to 562,712,706 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the conversion in full of the Convertible Bonds)

Gross proceeds from the proposed Rights Issue : Up to approximately HK\$275.21 million (assuming no changes in the share capital of the Company on or before the Record Date and all the Rights Shares are taken up)

Up to approximately HK\$300.11 million (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds and all the Rights Shares are taken up)

Net price per Rights Share : Approximately HK\$0.80 per Rights Share (assuming no changes in the share capital of the Company on or before the Record Date)

Approximately HK\$0.80 per Rights Share (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds)

As at the date of this announcement, there are outstanding Convertible Bonds in the aggregate principal amount of HK\$40,000,000, which are convertible into 15,564,202 new Shares at a conversion price of HK\$2.57 per Share. Assuming full conversion of the Convertible Bonds, the maximum number of new Shares that would fall to be allotted and issued under the terms and conditions of the Convertible Bonds on or before the Record Date would be 15,564,202 Shares, which would result in the issue and allotment of 31,128,404 additional Rights Shares.

As at the date of this announcement, save as disclosed above, the Company (a) has no other outstanding derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares; and (b) has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date, the Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 200.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 66.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

### **Subscription Price**

The Subscription Price of HK\$0.80 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies for Excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents (assuming the Capital Reorganisation has become effective as at the date of this announcement and there is no change in the number of Shares in issue from the date of this announcement to the Record Date other than the Capital Reorganisation):

- (i) a discount of approximately 2.44% to the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.53% to the average closing price of approximately HK\$0.84 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 7.83% to the average closing price of approximately HK\$0.87 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 0.83% to the theoretical ex-rights price of approximately HK\$0.81 per Share based on the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a premium of approximately 352.66% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024 of approximately HK\$0.18 per Share, which is calculated by dividing the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$30,399,000 as at 31 December 2024 as set out in the annual report of the Company for the year ended 31 December 2024 by the number of Shares as at the date of this announcement;
- (vi) a premium of approximately 297.69% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025 of approximately HK\$0.20 per Share, which is calculated by dividing the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$34,601,000 as at 30 June 2025 as set out in the interim report of the Company for the six months ended 30 June 2025 by the number of Shares as at the date of this announcement;
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 4.80%, represented by the theoretical diluted price of approximately HK\$0.81 per Share to the benchmarked price of approximately HK\$0.85 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares of HK\$0.82 as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average of the closing prices of approximately HK\$0.85 per Share as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement).

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed “Reasons for the Rights Issue and Use of Proceeds” in this announcement. The Directors consider that the Subscription Price at a discount to the current market price of the Existing Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Company. The Subscription Price also represents a premium over the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2014 and the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2025. The Directors (including the independent non-executive Directors whose view will be set out in the Circular after taking into account the advice of the Independent Financial Adviser) consider 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 the provisional allotment shall be two (2) Rights Shares for every one (1) New Share held by a Qualifying Shareholder as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Time for Acceptance.

### **Qualifying Shareholders**

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

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Friday, 20 March 2026.

The last day of dealings in the Shares on a cum-rights basis is Wednesday, 18 March 2026. The Shares will be dealt with on an ex-rights basis from Thursday, 19 March 2026.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company.

## **Excluded Shareholder(s)**

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholder(s). The basis for excluding the Excluded Shareholders(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will despatch 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 the Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (excluding the PAL and EAF) to the Excluded Shareholder(s) for information purposes only.

As at 4 February 2026, there were four Shareholders with address situated in the PRC and one Shareholder with address situated in Australia.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholder(s) in Hong Kong dollars. The Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

## **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue at the date of allotment and issue of the Rights Shares. 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 after the date of allotment and issue of the Rights Shares.

## **Fractional entitlements to the Rights Shares**

On the basis of provisional allotment of two (2) Rights Shares for every one (1) New Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

## **Application for excess Rights Shares**

Qualifying Shareholders are entitled to apply for, by way of excess application:

- (i) any unsold entitlements to the Rights Shares of the Excluded Shareholder(s) (if any); and
- (ii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

(i) to (ii) collectively referred to as “**Untaken Rights**”.

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Right Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

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

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Investors whose Shares are held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. For those investors who would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Friday, 20 March 2026.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

The board lot size of the nil-paid Rights Shares shall be the same as that of the fully-paid Rights Shares, i.e. 10,000 Shares in one board lot.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms 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 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 licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **Stamp duty and other applicable fees**

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

## **Share certificates and refund cheques for Rights Issues**

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Friday, 24 April 2026.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 24 April 2026 by ordinary post to the applicants' registered address, at their own risk.

## **The Rights Issue on a non-underwritten basis**

Subject to the fulfilment and/or waiver (where applicable) for the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If there is an under-subscription of the Rights Issue as a result of Untaken Rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who apply to take up all or part of its entitlement under PAL or applies for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will, pursuant to Rule 7.19(5) of the Listing Rules, provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the PAL or for excess Rights Shares under the EAF will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

As at the date of this announcement, the Company has not received any information or irrevocable undertaking from any shareholder of the Company of any intention to take up his/her/its entitlements under the Rights Issue (or otherwise).

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfilment, non-occurrence or waiver (as appropriate) of each of the following conditions:

- (a) the meeting(s) of the Board properly and validly convened to approve and implement the Rights Issue;
- (b) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue by no later than the Prospectus Posting Date;
- (c) the delivery of the Prospectus Documents to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (d) to the extent permitted under all applicable laws and regulations and the Company's constitutional documents, the Prospectus being made available on the Company's website and the Stock Exchange's website and the sending of PAL and EAF to the Qualifying Shareholders on the Prospectus Posting Date;
- (e) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Prospectus Posting Date and such listings and permission to deal not having been withdrawn or revoked; and
- (f) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authority for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

All conditions set out above cannot be waived by any party. If any of the above conditions are not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

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

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

**The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of Untaken Rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

### **EXPECTED TIMETABLE**

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Expected dispatch date of Circular with notice and form of proxy for the EGM . . . . .	on or before Friday, 20 February 2026
Latest time for lodging transfer of Shares in order to qualify for attendance and voting at the EGM . . . . .	4:00 p.m. on Wednesday, 4 March 2026
Register of members of the Company closes for attending and voting at the EGM (both days inclusive) . . . . .	Thursday, 5 March 2026 to Tuesday, 10 March 2026
Latest time for lodging forms of proxy for the purpose of the EGM . . . . .	11:00 a.m. on Sunday, 8 March 2026

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
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Record date for determining attendance and voting at the EGM . . . . .	Tuesday, 10 March 2026
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Expected date and time of the EGM . . . . .	11:00 a.m. on Tuesday, 10 March 2026
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Announcement of poll results of the EGM. . . . .	Tuesday, 10 March 2026
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Register of members of the Company re-opens . . . . .	Wednesday, 11 March 2026
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**The following events are conditional on the fulfilment of the conditions relating to the Capital Reduction and the Subdivision and therefore the dates are tentative only:**

Effective date of the Capital Reorganisation . . . . .	Before 9:00 a.m. on Wednesday, 18 March 2026
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First day of free exchange of existing share certificates of the Existing Shares for the New Shares . . . . .	Wednesday, 18 March 2026
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Last day for free exchanges of existing share certificates of the Existing Shares for the New Shares . . . . .	Wednesday, 22 April 2026
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**The following events are conditional on the fulfilment of the conditions relating to the Rights Issue and therefore the dates are tentative only:**

Last day of dealings in the Shares on a cum-rights basis of the Rights Issue . . . . .	Wednesday, 18 March 2026
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First day of dealings in the Shares on an ex-rights basis of the Rights Issue . . . . .	Thursday, 19 March 2026
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Latest time for lodging transfer of Shares in order to qualify for the Rights Issue . . . . .	4:00 p.m. on Friday, 20 March 2026
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Register of members of the Company closes for determining entitlements to the Rights Issue (both days inclusive) . . . . .	Monday, 23 March 2026 to Friday, 27 March 2026
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<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Record Date for determining entitlements to the Rights Issue . . . . .	Friday, 27 March 2026
Register of members of the Company re-opens . . . . .	Monday, 30 March 2026
Despatch of the Prospectus Documents . . . . .	Monday, 30 March 2026
First day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 1 April 2026
Latest time for splitting of PALs . . . . .	4:00 p.m. on Wednesday, 8 April 2026
Last day of dealings in nil-paid Rights Shares . . . . .	Monday, 13 April 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 Thursday, 16 April 2026
Latest time for the Rights Issue to become unconditional (if applicable) . . . . .	4:30 p.m. on Friday, 17 April 2026
Announcement of results of the Rights Issue . . . . .	Tuesday, 28 April 2026
Despatch of refund cheques for wholly or partially unsuccessful excess applications, if any. . . . .	Wednesday, 29 April 2026
Despatch of share certificates for fully-paid Rights Shares. . . . .	Wednesday, 29 April 2026
Commencement of dealings in the fully-paid Rights Shares. . . . .	9:00 a.m. on Thursday, 30 April 2026

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

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

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

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above, Extreme Condition, or a “black” rainstorm warning signal:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong.

If the Latest time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected timetable” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

Electronic payment is not accepted for the Rights Shares and excess Rights Shares.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 5 March 2026 to Tuesday, 10 March 2026 (both days inclusive) for the purpose of determining entitlements to attend and vote at the EGM.

The register of members of the Company will be closed from Monday, 23 March 2026 to Friday, 27 March 2026 (both days inclusive) for the purpose of determining entitlements to the Rights Issue.

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

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Rights Issue (assuming all Shareholders have taken up their entitled Rights Shares); and (iii) Immediately after completion of the Rights Issue (assuming none of the Shareholders have taken up any entitled Rights Share), for illustration purposes only:

Assuming there are no changes in the share capital of the Company on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Shareholders take up their respective entitlements to the Rights Shares in full)		Immediately after completion of the Rights Issue (assuming nil acceptance by the Shareholders of their entitlements to the Rights Shares)	
	<i>Number of Shares held</i>	<i>% (Note 2)</i>	<i>Number of Shares held</i>	<i>% (Note 2)</i>	<i>Number of Shares held</i>	<i>% (Note 2)</i>
	Lytton Maison Limited <sup>(Note 1)</sup>	79,687,549	46.33	239,062,647	46.33	79,687,549
Public Shareholders	92,319,151	53.67	276,957,453	53.67	92,319,151	53.67
Total	<u>172,006,700</u>	<u>100.00</u>	<u>516,020,100</u>	<u>100.00</u>	<u>172,006,700</u>	<u>100.00</u>

Notes:

1. Lytton Maison Limited, is a limited company incorporated in the British Virgin Islands and solely owned by Ms. Shi Qi, an executive Director and the Chairlady of the Board, and is interested in 79,687,549 shares. Of the 79,687,549 shares held by Lytton Maison Limited, 65,481,060 shares were charged to Mason Resources Finance Limited, which was indirectly wholly-owned by Mason Group Holdings Limited.
2. The above percentage figures are subject to rounding adjustments.

Assuming there are no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds:

Shareholders	Assuming all Convertible Bonds are converted on or before the Record Date		Immediately after completion of the Rights Issue (assuming all Shareholders take up their respective entitlements to the Rights Shares in full)		Immediately after completion of the Rights Issue (assuming nil acceptance by the Shareholders of their entitlements to the Rights Shares)	
	<i>Number of Shares held</i>	<i>% (Note 3)</i>	<i>Number of Shares held</i>	<i>% (Note 3)</i>	<i>Number of Shares held</i>	<i>% (Note 3)</i>
Lyton Maison Limited <sup>(Note 1)</sup>	79,687,549	42.48	239,062,647	42.48	79,687,549	42.48
Rising Jiarui <sup>(Note 2)</sup>	15,564,202	8.30	46,692,606	8.30	15,564,202	8.30
Public Shareholders	92,319,151	49.22	276,957,453	49.22	92,319,151	49.22
Total	<u>187,570,902</u>	<u>100.00</u>	<u>562,712,706</u>	<u>100.00</u>	<u>187,570,902</u>	<u>100.00</u>

Notes:

1. Lyton Maison Limited, is a limited company incorporated in the British Virgin Islands and solely owned by Ms. Shi Qi, an executive Director and the Chairlady of the Board, and is interested in 79,687,549 shares. Of the 79,687,549 shares held by Lyton Maison Limited, 65,481,060 shares were charged to Mason Resources Finance Limited, which was indirectly wholly-owned by Mason Group Holdings Limited.
2. Rising Jiarui Investment Management Co., Ltd (北京日信嘉銳投資管理有限公司) (“**Rising Jiarui**”) is a company established in the PRC with limited liability. To the best knowledge of the Directors, Rising Jiarui is owned as to 60% by Mr. Li Bing and 40% by Mr. Zhang Baohui.
3. The above percentage figures are subject to rounding adjustments.

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

The Company is an investment holding company and the Group is principally engaged in the design, research and development, and manufacturing of new eco-friendly silicone products, and its product categories cover, amongst others, new energy vehicles, photovoltaic components, aerospace materials, medical devices, consumer electronics, and beauty products. In addition to the aforesaid principal business, the Group is also engaged in (i) the operation of international digital marketing business; (ii) the operation of retail business in the United Kingdom; (iii) the provision of healthcare and hotel services. As stated in the interim results for the six months ended 30 June 2025 of the Company, the Company is strategically expanding its existing digital marketing business by investing in AI Digital Human technology as its new driver for growth and momentum and to maintain its competitiveness.

The Company believes the AI Digital Humans integrate seamlessly with the Company's existing digital marketing operations by enhancing content creation, engagement, and analytics without disrupting current workflows. The AI Digital Humans may operate across the same social platforms already used for campaigns, complementing influencer marketing and paid ads with continuous, automated interaction. By generating personalized content and responding to customer inquiries in real time, these virtual personas amplify brand presence while reducing reliance on manual labour. Additionally, they feed engagement data into existing analytics systems, improving targeting accuracy and return on investment (ROI) measurement. This synergy not only lowers operational costs for our digital marketing business but also creates new revenue streams through premium AI-driven marketing services, making them natural extensions of traditional digital marketing strategies.

The estimated net proceeds of the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$0.73 million) will be up to (i) approximately HK\$274.48 million (assuming no changes in the share capital of the Company on or before the Record Date); or (ii) approximately HK\$299.38 million (assuming no changes in the share capital of the Company on or before the Record Date other than the conversion in full of the Convertible Bonds).

Assuming the Rights Issue is fully subscribed and there will be no changes in the share capital of the Company on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue and to supplement the Company's working capital requirements in the following manner:

- (a) Approximately HK\$116.0 million (being approximately 42.1% of the net proceeds) is intended to be applied towards the Group's investment in computing infrastructure for the AI Digital Human technology development, comprising:
  - (i) approximately HK\$38.2 million for the construction of high-specification computing data centre facilities, including server rack deployment, power capacity expansion, cooling system upgrades, and other infrastructure development; and
  - (ii) approximately HK\$77.8 million for purchasing computer hardware, including 500 high-performance GPUs (such as H100 series), distributed server clusters, high-speed storage arrays, and computing resource scheduling software systems, to support the training and real-time inference requirements of models with hundreds of billions of parameters.
- (b) Approximately HK\$70.5 million (being approximately 25.6% of the net proceeds) is intended to be applied towards the Group's investment in data training investment for the AI Digital Human technology development, comprising:
  - (i) approximately HK\$24.3 million for the procurement and construction of multimodal datasets, including industry-specific vertical data (such as knowledge graphs for finance, healthcare), general corpora, visual material libraries, etc.;

- (ii) approximately HK\$26.7 million for data labeling and cleansing, utilizing crowdsourcing platforms and professional labeling teams for fine-grained annotation of text, image, and speech data, and establishing an automated data cleansing toolchain to ensure data quality; and
  - (iii) approximately HK\$19.5 million for training iteration costs, covering computing hours consumed during multiple rounds of model training and expenses for model tuning experiments, to ensure the intelligent agent meets commercial standards for interaction accuracy and response speed.
- (c) Approximately HK\$22.6 million (being approximately 8.2% of the net proceeds) is intended to be used for staff investment for AI Digital Human technology development for the coming two years, comprising:
- (i) recruitment of 5 senior algorithm engineers, specializing in large-model optimization and multi-modal interaction algorithms, with an annual salary of approximately HK\$0.8 million per person per year, totaling approximately HK\$8.0 million;
  - (ii) recruitment of 4 data scientists, responsible for dataset construction and training effectiveness attribution analysis, with an annual salary of approximately HK\$0.8 million per person per year, totaling approximately HK\$6.4 million;
  - (iii) recruitment of 3 product managers, leading intelligent agent scenario implementation and user experience design, and 3 operations engineers, ensuring stable operation of computing clusters and data platforms, with annual salaries of approximately HK\$0.6 million and HK\$0.48 million respectively per person per year, respectively, totaling approximately HK\$6.5 million per year; and
  - (iv) industry training and other miscellaneous expenses, estimated at approximately HK\$0.87 million per year, totaling approximately HK\$1.7 million aimed at ensuring team stability and continuous technological advancement.
- (d) Approximately HK\$65.4 million (being approximately 23.8% of the net proceeds) is intended to be used as general working capital of the Group and repayment of the Group's debts, comprising:
- (i) approximately HK\$18.2 million for the procurement of raw materials for the silicon business;
  - (ii) approximately HK\$2.0 million for staff costs, HK\$3.0 million for professional fees, HK\$7.2 million for rental payments and HK\$2.0 million for other general administrative expenses; and

- (iii) approximately HK\$33.0 million for the repayment of the Group's outstanding debt and interests, of which approximately HK\$6.3 million for repayment of bank facility loans due within this year, approximately HK\$3.3 million for repayment of finance leases due within this year and approximately HK\$23.4 million for repayment of mortgage property loans.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

Apart from the Rights Issue, the Directors have considered other debt or equity fundraising alternatives such as bank borrowings, placing or an open offer. The Directors note that bank borrowings, if available, carry additional interest costs and create pressure to the liquidity of the Company, and placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid Rights Shares in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Having considered the above alternatives, the Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole and that the Rights Issue is an appropriate fundraising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

## FUND RAISING ACTIVITIES 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 this announcement.

Date of announcement	Event	Net Proceeds	Intended use of proceeds	Actual use of proceeds as at the date of announcement
3 July 2025	Issue of shares under general mandate granted by the Shareholders at the annual general meeting held on 18 November 2024	HK\$34.93 million	<p>(a) approximately HK\$5 million (representing approximately 15% of the net proceeds from the Subscriptions) is intended to be used for the procurement of artificial intelligence equipment and installation of servers for the digital marketing business;</p> <p>(b) approximately HK\$2 million (representing approximately 6% of the net proceeds from the Subscriptions) is intended to be used for marketing and promotion of the digital marketing business;</p> <p>(c) approximately HK\$2 million (representing approximately 6% of the net proceeds from the Subscriptions) is intended to be used for payment of staff costs for the digital marketing business;</p> <p>(d) approximately HK\$3 million (representing approximately 9% of the net proceeds from the Subscriptions) is intended to be used for general working capital of the digital marketing business;</p> <p>(e) approximately HK\$8 million (representing approximately 23% of the net proceeds from the Subscriptions) is intended to be used for operational reserve funds of the digital marketing business;</p>	The proceeds have been fully utilized as intended.

Date of announcement	Event	Net Proceeds	Intended use of proceeds	Actual use of proceeds as at the date of announcement
			(f) approximately HK\$10 million (representing approximately 29% of the net proceeds from the Subscriptions) is intended to be used for payment of financing interest for the Yalong Bay project; and	
			(g) the remaining balance of the proceeds of approximately HK\$3.39 million (representing approximately 12% of the net proceeds from the Subscriptions) is intended to be used for the general working capital of the Company.	

Save for the above, the Company has not conducted any other fundraising exercise in the past twelve months immediately preceding the date of this announcement.

## **POSSIBLE ADJUSTMENT TO THE CONVERTIBLE BONDS**

As of the date of this announcement, as the Capital Reorganisation will involve no subdivision of issued Shares, it is expected that the Capital Reorganisation shall not lead to adjustments to conversion price and/or number of Shares to be issued upon exercise of the conversion rights under the Convertible Bonds.

As of the date of this announcement, it is expected that the Rights Issue shall not lead to adjustments to the conversion price and/or the number of Shares to be issued upon exercise of the conversion rights under the Convertible Bonds.

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

## **LISTING RULES IMPLICATIONS**

### **Capital Reorganisation**

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of special resolution at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Capital Reorganisation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Capital Reorganisation at the EGM.

## **Rights Issue**

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within a 12 months period immediately preceding the date of this announcement, the Rights Issue is conditional upon the minority Shareholder's approval at the EGM, and 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) in relation to the Rights Issue at the EGM. As such, the controlling shareholders of the Company, namely, Lyton Maison Limited, Ms. Shi and their associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM. Save for Ms. Shi and Lyton Maison Limited, no Shareholders and Directors are required to abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

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

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

In this connection, an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue and the respective voting recommendations.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Rights Issue and the transactions contemplated hereunder. The Circular containing, among other things, (i) details of the Capital Reorganisation; (ii) further details of the Rights Issue; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from an independent financial adviser; (v) the notice convening the EGM; and (vi) other disclosure requirements under the Listing Rules is expected to be despatched by the Company to the Shareholders on or before Friday, 20 February 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on Monday, 30 March 2026. The Company will despatch the Prospectus to the Excluded Shareholders (if any) to the extent legally permitted for their information only, but the Company will not send the PALs and EAFs to the Excluded Shareholders.

## DEFINITIONS

Terms used in this announcement have the following meanings unless the context otherwise requires:

“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby the nominal or par value of each issued Existing Share will be reduced from HK\$1.00 to HK\$0.10 by cancelling the paid-up share capital to the extent of HK\$0.90 on each issued Existing Share
“Capital Reorganisation”	collectively, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Circular”	the circular to be issued by the Company in relation to (among other things) the Capital Reorganisation and the Rights Issue
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time

“Company”	Ta Yang Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1991)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	the 10% per annum, 3-year convertible bond in the principal amount of HK\$40,000,000 issued by the Company on 21 July 2023 which are convertible into 15,564,202 Shares at the initial conversion price of HK\$2.57 per Share, with conversion period commencing 3 months after the date of issue of the convertible bond up to the Maturity Date
“Director(s)”	the director(s) of the Company for the time being
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess for their entitlements under the Rights Issue
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and, if thought fit, approving the Capital Reorganisation and the Rights Issue
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue
“Existing Share(s)”	the ordinary share(s) of a nominal or par value of HK\$1.00 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the shareholders other than Lyton Maison Limited and Ms. Shi
“Last Trading Day”	4 February 2026, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 16 April 2026 (or such later time or date as may be determined by the Company), being the last day for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Maturity Date”	the date upon expiry of 3 years from the date of issuance of the Convertible Bond
“New Share(s)”	the ordinary share(s) of a nominal or par value of HK\$0.10 each in the share capital of the Company immediately following the Capital Reorganisation becoming effective
“Overseas Shareholder(s)”	Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Monday, 30 March 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 (or in case of Excluded Shareholder(s), the Prospectus only)
“Qualifying Shareholder(s)”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Friday, 27 March 2026 (or on such other date as the Company may determine), being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	Union Registrars Limited, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue of two (2) Rights Shares for every one (1) New Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Shares”	the New Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Existing Share(s) and/or New Share(s) as the case may be
“Share Subdivision”	the proposed subdivision of each authorised but unissued Share of a nominal or par value of HK\$1.00 each into ten (10) New Shares of a nominal or par value of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.80 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

By order of the Board  
**Ta Yang Group Holdings Limited**  
**Shi Qi**  
*Chairlady*

Hong Kong, 4 February 2026

*As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Shi Qi and Mr. Li Jiuhua; four non-executive Directors, namely, Mr. Chan Tsun Hong Philip, Mr. Gu Shixiang, Mr. Han Lei and Mr. Wang Dongzhu; and three independent non-executive Directors, namely Ms. Zhang Li, Mr. Zhang Li and Dr. Xie Jun.*