
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 to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sandmartin International Holdings Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, stockbroker 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 to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibilities for the contents of any of the Prospectus Documents, make no representations 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 "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this prospectus, 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). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

The attention of the 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 "Non-Qualifying Shareholders" 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 both 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 or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



Sandmartin International Holdings Limited

聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

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

Financial Adviser to the Company



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

Placing Agent of the Rights Issue



萬基證券有限公司
MORTON SECURITIES LIMITED

Unless the context requires otherwise, capitalised terms used in this cover shall have the same meanings as those defined in this prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Thursday, 26 March 2026. Dealings in the Rights Shares in their nil-paid form will take place from Monday, 13 April 2026 to Monday, 20 April 2026 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled, and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form should therefore exercise caution, and is recommended to consult his/her/its own professional advisers if in any doubt about his/her/its own position.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional. Accordingly, the Rights Issue may or may not proceed. The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 23 April 2026. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 22 to 23 of this prospectus.

The Rights Issue will proceed on a non-underwritten basis, irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board – Conditions of the Rights Issue" in this prospectus. In the event that the Rights Issue is 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 and aggregated fractions of Rights Shares, will be placed by the Placing Agent to independent places under the Compensatory Arrangement. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

9 April 2026

* For identification purpose only

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the following meaning:

“Adjusted Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 24 October 2025 in relation to, among others, the Capital Reorganisation and the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.10 by cancelling the paid-up share capital to the extent of HK\$0.90 on each issued Consolidated Share and the cancellation of any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation immediately after the Share Consolidation

DEFINITIONS

“Capital Reorganisation”	the capital reorganisation of the share capital of the Company involving (i) the Share Consolidation, (ii) the Capital Reduction, (iii) the Share Subdivision, (iv) the Share Premium Reduction, and (v) the transfer of all the credit arising from the Capital Reduction and Share Premium Reduction to the contributed surplus account of the Company within the meaning of the Companies Act which applied to reduce the accumulated losses of the Company and by the Board in any other manner in accordance with the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS 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 amended from time to time
“Circular”	the circular of the Company dated 27 February 2026 relating to the Capital Reorganisation, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Sandmartin International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 482)
“Compensatory Arrangement”	placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$1.00 each in the share capital of the Company immediately after the Share Consolidation but prior to the Capital Reduction and the Share Subdivision
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation having become effective
“First Steamship”	First Steamship Company Limited, the issued shares of which are listed on the Taiwan Stock Exchange, and is a controlling shareholder of the Company
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Grand Citi”	Grand Citi Limited, an indirectly non-wholly owned subsidiary of First Steamship
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholder(s) other than First Steamship and its associates (including Grand Citi), and any Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Capital Reorganisation, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company

DEFINITIONS

“Last Trading Day”	24 October 2025, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Acceptance Date”	Thursday, 23 April 2026
“Latest Practicable Date”	2 April 2026, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 23 April 2026, or such other date and/or time as may be determined by the Company, being the latest time for the acceptance of, and the payment for, the Rights Shares
“Lender A”	the lender (an Independent Third Party) of Loan A
“Lender B”	the lender (an Independent Third Party) of Loan B
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	the loan with an outstanding principal amount of US\$1 million provided by Lender A to the Company
“Loan B”	the loan with an outstanding principal amount of US\$20 million provided by Lender B to the Company
“Loans”	Loan A and Loan B
“Mr. Hung”	Mr. Hung Tsung Chin, an executive Director
“Mr. Kuo”	Mr. Kuo Jen Hao, a non-executive Director and chairman of the Company
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, or Non-Qualifying Shareholders (as the case may be)

DEFINITIONS

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“NQS Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholder(s) (if any) explaining the circumstances in which the Non-Qualifying Shareholder(s) (if any) is/are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the 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 renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of the Rights Issue
“Placee(s)”	professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 123,040,372 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Morton Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

DEFINITIONS

“Placing Agreement”	the placing agreement dated 12 February 2026, entered into between the Company and the Placing Agent in relation to the Compensatory Arrangement
“PRC”	the People’s Republic of China, which, for the purpose of this prospectus, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus Documents”	this prospectus and the PAL
“Prospectus Posting Date”	Thursday, 9 April 2026, being the date of despatch of the Prospectus Documents and the Overseas Letter to the Qualifying Shareholders or the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholder(s)”	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Wednesday, 8 April 2026, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every one (1) Adjusted Share in issue on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue on the basis of one (1) Rights Share for every one (1) Adjusted Share in issue on the Record Date, being up to 123,040,372 Shares based on the Company’s issued share capital as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company convened and held on 23 March 2026 at which, among other things, the Capital Reorganisation, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder were approved by the Shareholders or the Independent Shareholders (as the case may be)
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the Adjusted Share(s), as the case may be
“Share Consolidation”	the consolidation of every ten (10) Existing Shares of par value of HK\$0.10 each into one (1) Consolidated Share of par value of HK\$1.00 in the share capital of the Company
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the reduction of the entire amount standing to the credit of the Share Premium Account of the Company to nil, with the credit arising therefrom to be transferred to the contributed surplus account of the Company and be applied in such manner as permitted under the laws of Bermuda and the Bye-laws
“Share Subdivision”	the subdivision of each authorised but unissued Consolidated Share of par value of HK\$1.00 into ten (10) Adjusted Shares of par value of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.75 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company as described in the sub-section headed “Non-Qualifying Shareholders” in this prospectus

DEFINITIONS

“US”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the US
“%”	per cent.

For the purpose of this prospectus, unless otherwise stated, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.8. The exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rate or at all.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue, the Placing, and the associated trading arrangement is set out below. The expected timetable is subject to the satisfaction of the conditions of the Rights Issue and the Placing and is therefore for indicative purposes only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this prospectus refer to Hong Kong local times and dates.

Event	Time and Date 2026
Designated broker starts to stand in the market to provide matching services for odd lots of the Adjusted Shares	9:00 a.m. on Monday, 13 April
Original counter for trading in the Adjusted Shares in board lots of 10,000 Adjusted Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 13 April
Parallel trading in the Adjusted Shares (in the form of both existing share certificates in board lots of 1,000 Adjusted Shares and new share certificates in board lots of 10,000 Adjusted Shares) commences	9:00 a.m. on Monday, 13 April
First day of dealings in nil-paid Rights Shares in board lots of 10,000 Adjusted Shares	Monday, 13 April
Latest time for splitting the PAL	4:30 p.m. on Wednesday, 15 April
Last day of dealing in nil-paid Rights Shares in board lots of 10,000 Adjusted Shares	Monday, 20 April
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangement	4:00 p.m. on Thursday, 23 April
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 23 April

EXPECTED TIMETABLE

Event	Time and Date 2026
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangement	Monday, 27 April
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Tuesday, 28 April
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Monday, 4 May
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Monday, 4 May
Designated broker ceases to provide matching services for odd lots of the Adjusted Shares	4:00 p.m. on Monday, 4 May
Temporary counter for trading in board lots of 1,000 Adjusted Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 4 May
Parallel trading in Adjusted Shares (represented by both existing share certificates in board lots of 1,000 Adjusted Shares and new share certificates in board lots of 10,000 Adjusted Shares) ends	4:10 p.m. on Monday, 4 May
Last day for free exchange of existing share certificates for new share certificates for the Adjusted Shares	Wednesday, 6 May
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share under the Compensatory Arrangement)	Friday, 8 May

EXPECTED TIMETABLE

Event	Time and Date 2026
Despatch of share certificates for fully-paid Rights Shares and refund cheques, if any, if the Rights Issue is terminated	Monday, 11 May
Expected first day of dealings in fully-paid Rights Shares	Tuesday, 12 May
Payment of the Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Thursday, 14 May

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above, and all dates and deadlines specified in this prospectus are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

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

The latest time for acceptance of and payment for the Rights Shares will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons, or a black rainstorm warning is:

- (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 Latest Acceptance Date. Instead, the deadline for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead, the deadline for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

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

LETTER FROM THE BOARD



Sandmartin International Holdings Limited

聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

Executive Directors:

Mr. Hung Tsung Chin

Mr. Chen Wei Chun

Non-executive Director:

Mr. Kuo Jen Hao (*Chairman*)

Independent Non-executive Directors:

Ms. Chen Wei-Hui

Mr. Lu Ming-Shiuan

Mr. Wu Chia Ming

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of

Business in Hong Kong:

Unit 516, 5th Floor

Peninsula Centre

67 Mody Road

Tsim Sha Tsui East

Kowloon

Hong Kong

9 April 2026

To the Qualifying Shareholders,

and for information only, the Non-Qualifying Shareholders

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the Announcement, and the announcement of the Company dated 12 February 2026, and the Circular in relation to, among other things, the Capital Reorganisation, the Rights Issue and the Placing Agreement.

* For identification purpose only

LETTER FROM THE BOARD

At the SGM convened and held on 23 March 2026, the necessary resolutions for approving, among other things, the Capital Reorganisation, the Rights Issue and the Placing Agreement, were duly passed by the Shareholders or the Independent Shareholders (as the case may be). First Steamship (being a controlling shareholder of the Company) and its associates (including Grand Citi), and Allied Group Limited (the owner of Lender B) have abstained from voting in favour of the resolutions in relation to the Rights Issue and the Placing Agreement at the SGM.

The purpose of this prospectus is to provide you with further details of the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

THE RIGHTS ISSUE

Basis of the Rights Issue:	One (1) Rights Share for every one (1) Adjusted Share held on the Record Date
Subscription Price:	HK\$0.75 per Rights Share
Net price per Rights Share (the aggregate Subscription Price of the maximum number of Rights Shares to be issued less costs and expenses estimated to be incurred in the Rights Issue, divided by the maximum number of Rights Shares to be issued):	Approximately HK\$0.73 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date:	123,040,372 Adjusted Shares As at the Latest Practicable Date, there are no treasury shares or repurchased shares pending cancellation held by the Company or its subsidiaries or through their agents or nominees.
Number of Rights Shares:	Up to 123,040,372 Rights Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Aggregate nominal value of the Rights Shares to be issued:	HK\$12,304,037.20

LETTER FROM THE BOARD

Number of issued Adjusted Shares upon completion of the Rights Issue:	Up to 246,080,744 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Rights of excess application:	There will be no excess application

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

Assuming that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 123,040,372 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) 100.00% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and as at the Latest Practicable Date; and (ii) 50.00% of the total number of issued Adjusted Shares as enlarged by the allotment and issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

The Rights Issue will proceed on a non-underwritten basis, irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Right Shares.

Subscription price

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

The Subscription Price represents:

- (i) a premium of approximately 2.7% over the adjusted closing price of HK\$0.73 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.073 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.6% to the adjusted closing price of HK\$0.83 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.083 per Existing Share as quoted on the Stock Exchange on 12 February 2026 (being the date of the supplemental announcement of the Company relating to the Rights Issue);

LETTER FROM THE BOARD

- (iii) a discount of approximately 8.5% to the closing price of HK\$0.82 per Adjusted Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iv) a discount of approximately 9.0% to the adjusted average closing price of HK\$0.824 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.0824 per Existing Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 11.5% to the adjusted average closing price of HK\$0.847 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.0847 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 5.99%, represented by the theoretical diluted price of HK\$0.801 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) to the benchmarked price of approximately HK\$0.852 per Adjusted Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Adjusted Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the five (5) consecutive trading days prior to the date of the Last Trading Day and taking into account the effect of the Capital Reorganisation);
- (vii) a premium of approximately HK\$1.273 over the adjusted audited consolidated net liability value per Adjusted Share of approximately HK\$0.523 (after taking into account the effect of the Capital Reorganisation) as at 31 December 2024 based on the audited consolidated net liabilities attributable to owners of the Company of approximately HK\$64,402,000 as at 31 December 2024 and the total number of 1,230,403,725 Existing Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately HK\$2.05 over the audited consolidated net liability value per Adjusted Share of approximately HK\$1.30 (after taking into account the effect of the Capital Reorganisation) as at 31 December 2025 based on the audited consolidated net liabilities attributable to owners of the Company of approximately HK\$159,858,000 as at 31 December 2025 and the total number of 123,040,372 Adjusted Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Subscription Price was determined with reference to (i) the average closing price of the Shares after resumption of trading on 2 October 2025 and up to the date of the Announcement (the “**Price Determination Period**”); and (ii) the reasons for and benefits of the Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this prospectus.

The Directors consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors:

- (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are given the flexibility to sell the nil-paid rights in the market, thereby recouping some value;
- (ii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount of approximately 13.3% to the adjusted average closing price of HK\$0.865 per Adjusted Share during the Price Determination Period;
- (iii) during the Price Determination Period, the Shares were traded with adjusted closing prices between HK\$0.73 and HK\$0.96 with daily trading volume ranging between 0 Share and 2,091,800 Shares (representing approximately 0.17% of the total issued share capital of the Company during such period). Despite the Subscription Price representing a slight premium of approximately 2.7% over the adjusted closing price of HK\$0.73 per Adjusted Share on the Last Trading Day, the Subscription Price represents a discount to the closing prices of 15 out of 16 trading days during the Price Determination Period. In addition, in view of the thin liquidity of the Shares which may distort the closing price of the Shares in a particular trading day, the average closing price of the Shares during the Price Determination Period is considered a more reliable indicator which could better reflect the market valuation of the Company after publication of its financial results for the year ended 31 December 2024 on 16 September 2025 and the six months ended 30 June 2025 on 30 September 2025;
- (iv) given the net loss and net liabilities position of the Group, it will take a considerable time to identify a securities firm to underwrite the Rights Issue, and in particular, the underwriting fee is expected to be substantial, which would reduce the net proceeds available to the Company. Notwithstanding the uncertainty of subscription level and the funds to be raised on a non-underwritten basis, taking into account the time, the cost and the uncertainty to procure an underwriter, the Rights Issue, on a non-underwritten basis, is appropriate;

LETTER FROM THE BOARD

- (v) there was no material change in the financial or trading position of the Company, subsequent to the date of the Announcement and up to the Latest Practicable Date. During such period, the trading price of the Shares has experienced fluctuations within a defined range. The adjusted closing price of the Shares has traded between a low of HK\$0.65 and a high of HK\$1.23. This price fluctuation reflects general market conditions. The Subscription Price continues to fall well within the observed trading price range subsequent to the publication of the Announcement; and
- (vi) the funding needs of the Group as set out in the section headed “Reasons for and benefits of the rights issue and use of proceeds” in this prospectus.

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 Unsubscribed Rights Shares will be placed by the Placing Agent to independent placees under the Compensatory Arrangement. There are no applicable statutory requirements under the laws of Bermuda regarding minimum subscription levels in respect of the Rights Issue.

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

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

LETTER FROM THE BOARD

Conditions of the Rights Issue

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

- (i) the Capital Reorganisation having become effective;
- (ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the SGM for the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms, and the Placing Agreement;
- (iii) the electronic delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong and the filing and registration with the Registrar in Hong Kong of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) not later than the Prospectus Posting Date;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and
- (vi) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

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

As at the Latest Practicable Date, except that conditions (i) and (ii) have been satisfied, and conditions (iii) and (iv) are expected to be satisfied on the Prospectus Posting Date, all the other conditions above are not fulfilled.

As at the Latest Practicable Date, save for the approvals set out in conditions (ii), (iii) and (v) above, the Company is not aware of other consents or approvals required to be obtained for the Rights Issue and the transaction contemplated thereunder.

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

Qualifying Shareholder

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

The Company has sent to the Qualifying Shareholders, the PAL (as actionable corporate communication) in printed form and this prospectus in electronic form (or printed form if they have previously requested for printed copies of corporate communications). The Company has also sent to the Non-Qualifying Shareholders, the Overseas Letter, together with this prospectus (without the PAL) in electronic form (or printed form if they have previously requested for printed copies of corporate communications), for information purposes only.

The latest time for acceptance and payment of Rights Shares is expected to be 4:00 p.m. on Thursday, 23 April 2026, being the Latest Acceptance Date.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements, if any). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may, depending on the total number of Rights Shares being validly taken up or subscribed (whether by Rights Issue or Placing), be diluted.**

Beneficial owners whose Shares are held by nominee companies (or held 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. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and the action to be taken.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than that in Hong Kong. The Company has sent the Overseas Letter, together with this prospectus (without the PAL) to the Non-Qualifying Shareholders for their information only.

LETTER FROM THE BOARD

According to the register of members of the Company, as at the Latest Practicable Date, the Company had 16 Overseas Shareholders with registered addresses situated outside of Hong Kong, in the US and Taiwan, who collectively held 5,091,340 Shares in aggregate (representing approximately 4.14% of the total number of Shares in issue as at the Latest Practicable Date). In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries with the legal advisers of each of the US and Taiwan regarding the legal restrictions and regulatory requirements in each of these jurisdictions on extending the Rights Issue to the relevant Overseas Shareholders.

As at the close of business on the Latest Practicable Date, there were 11 Shareholders with registered addresses in the US and such Shareholders held 49,624 Shares, representing approximately 0.04% shareholdings in the Company as at the Latest Practicable Date. Based on the relevant overseas legal advice from the legal advisers in the US, the extension of the Rights Issue to the Overseas Shareholders with registered addresses in the US would, or might, in the absence of compliance with relevant registration and/or filings and/or other special formalities in the US, be unlawful or impracticable, the additional steps that the Company and/or the Overseas Shareholders need to take to comply with the relevant legal or regulatory requirements in the US, and the compliance with the registration or filing and other special formalities in the US, including the registration under both US Federal and applicable state regulations in the states where the Overseas Shareholders reside, could be both costly, time-consuming or impracticable, and therefore inexpedient to do so.

Based on the above and taking into account the shareholding of only approximately 0.04% in the Company held by such Overseas Shareholders with registered addresses in the US as at the Latest Practicable Date, the Board considered the time and costs required to extend the Rights Issue to such Overseas Shareholders (i) outweigh the potential benefit that would have been made available to the Overseas Shareholders in the US if the Rights Issue was extended to him/her and (ii) is not in the interests of the Company and the Shareholders as a whole. Accordingly, (i) Overseas Shareholder(s) whose name(s) appeared in the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register is/are in the US; and (ii) any Shareholder(s) or beneficial owner(s) at that time who is/are otherwise known by the Company to be residents in the US (and, as applicable and to the extent of any such beneficial owner's interests, the Shareholder(s) in whose name(s) such beneficial owner's Shares are registered) will therefore be Non-Qualifying Shareholders.

As of the close of business on the Latest Practicable Date, there were 5 Shareholders with registered addresses in Taiwan and such Shareholders held 5,041,716 Shares (representing approximately 4.10% of the total number of Shares in issue as at the Latest Practicable Date). Based on the legal advice provided by the Taiwanese legal adviser, the Directors are of the view that it is expedient to extend the Rights Issue to the Overseas Shareholder in Taiwan as there are no legal restrictions prohibiting the Company from making the Rights Issue in Taiwan and no local legal or regulatory compliance is required to be attended by the Company in Taiwan. Accordingly, Overseas Shareholders with registered addresses in Taiwan, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders.

LETTER FROM THE BOARD

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Rights Shares or to take up any entitlements to the Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) would not have any entitlement under the Rights Issue. Such Rights Shares will form part of the Unsubscribed Rights Shares and, if possible, be placed by the Placing Agent to independent placees under the Compensatory Arrangement.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying 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 Non-Qualifying 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 Non-Qualifying Shareholders will be placed by the Placing Agent under the Compensatory Arrangement together with the Rights Shares that are not being taken up by the Qualifying Shareholders. For the nil-paid Rights Shares that were sold in the market by the Company and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangement under the Placing Agreement. For details of the Compensatory Arrangement, please refer to the section headed “No excess application and procedures in respect of the Unsubscribed Rights Shares” in this Letter from the Board.

The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) Adjusted Share held by the Qualifying Shareholders as at the close of business on the Record Date. The board lot of the nil-paid Rights Shares will be 10,000 Shares.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by lodging a duly completed PAL and a cheque drawn on an account with, or bank cashier’s order issued by, a licensed bank in Hong Kong, for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

LETTER FROM THE BOARD

Closure of register of members

The register of members of the Company was closed from Monday, 30 March 2026 to Wednesday, 8 April 2026 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares was registered during this period.

Status of the Rights Shares

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

Fractions of the Rights Shares

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

Procedures for Acceptance or Transfer

Qualifying Shareholders should find enclosed with this prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, by no later than 4:00 p.m. on Thursday, 23 April 2026. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Sandmartin International Holdings Limited**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 23 April 2026, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for placing to independent Placees by the Placing Agent under the Placing Agreement. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if the PAL is not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 15 April 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer 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 following receipt, and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company 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 thereunder will be deemed to have been declined and will be cancelled.

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 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 other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranties and representations. The Company reserves the right to refuse to accept any application or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

Stamp duty and other applicable fees and charges

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

LETTER FROM THE BOARD

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising their rights in, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

Share certificates for the Rights Shares and refund cheques

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Monday, 11 May 2026, to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk, to their registered addresses.

If the Rights Issue does not proceed, the monies received by the Company in respect of the subscription of the Rights Shares will be refunded to the Qualifying Shareholders or such other person to whom the nil-paid rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on Monday, 11 May 2026.

Irrevocable Undertaking

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted and issued to them under the Rights Issue.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed Morton Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Mr. Floyd Cheng of Morton Securities Limited at 1804-5, 18/F., Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, or at the telephone number (852) 2652 7117 during the period from 9:00 a.m. on Monday, 13 April 2026 to 4:00 p.m. on Monday, 4 May 2026, both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

LETTER FROM THE BOARD

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

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, 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 CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the Registrar, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

No excess application and procedures in respect of the Unsubscribed Rights Shares

There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules. Pursuant to Rule 7.21(2) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the relevant No Action Shareholders to whom they were offered under the Rights Issue. As the Compensatory Arrangement is in place, there will be no excess application arrangements in relation to the Rights Issue.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to the Placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to those No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 4 May 2026, the Placees for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares which are not placed under the Compensatory Arrangement after completion of the Placing will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

LETTER FROM THE BOARD

Net Gain (if any, but rounded down to the nearest cent) will be paid on a pro-rata basis to the No Action Shareholders as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL; and
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

Placing Agreement for the Unsubscribed Rights Shares

Details of the Placing Agreement are summarised as follows:

Date:	12 February 2026 (after trading hours of the Stock Exchange)
Issuer:	The Company
Placing agent:	Morton Securities Limited, an Independent Third Party
Placing period:	The period commencing from the third Business Day after the Latest Time for Acceptance and ending on the sixth Business Day after the Latest Time for Acceptance.
Commission and expenses:	Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 1.5% of the amount, which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
Placing price of the Unsubscribed Rights Shares:	The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price, and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the process of placement.

LETTER FROM THE BOARD

Placees: The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) acceptable to the Board, and who and whose ultimate beneficial owner(s) are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

The Company will take all appropriate steps to ensure that sufficient public float be maintained in compliance with Rule 8.08 of the Listing Rules after completion of the Placing.

Ranking of the Unsubscribed Rights Shares: The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

Conditions of the Placing Agreement

The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled or waived:

- (i) the passing by the Independent Shareholders at the SGM of resolutions to approve the Placing Agreement, the Rights Issue, and the transactions contemplated thereunder in accordance with the Listing Rules;
- (ii) the Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms);
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events; and
- (v) the posting of copies of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus (stamped "**For Information Only**") to the Non-Qualifying Shareholders for information purposes only.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the approvals set out in conditions (i) and (ii) above, and the authorisation and registration of the Prospectus Documents, the Company is not aware of other consents or approvals required to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, except that condition (i) has been satisfied, and condition (v) is expected to be satisfied on the Prospectus Posting Date, all the other conditions above are not fulfilled.

In the event that the above condition precedents have not been fulfilled on or before 31 May 2026 (or such later date as may be agreed between the Company and the Placing Agent in writing), all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the placing shall cease and determine, and none of the Company or the Placing Agent shall have any claim against the other in respect of the placing (save for any antecedent breaches thereof).

First Steamship is interested in approximately 29.11% of the issued shares of Da Yu Financial Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1073), which in turn wholly owns the Placing Agent and the financial adviser to the Company, Yu Ming Investment Management Limited. As at the Latest Practicable Date, the Placing Agent and its associates do not hold any Shares. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate, and the Company considers the Placing Agreement to be on normal commercial terms.

Mr. Kuo, a non-executive Director, is a director and chairman of First Steamship and a director of the Placing Agent, and as such, may have conflicts of interest in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder. He has abstained from voting at the meeting of the Board convened to consider such matters. As at the Latest Practicable Date, Mr. Kuo does not hold any Shares.

The Company considers that the Placing Agreement will provide a compensatory mechanism for the No Action Shareholders, protect the interests of the Shareholders, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

Assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders (“**Scenario 1**”); (iii) immediately after the completion of the Rights Issue assuming full acceptance by all connected persons of the Company only and none of the Unsubscribed Rights Shares are placed to the Places under the Compensatory Arrangement and the Scale-down Mechanism applies (“**Scenario 2**”); and (iv) immediately after completion of the Rights Issue assuming no acceptance of the Rights Shares by the Qualifying Shareholders and 100% of the Unsubscribed Rights Shares are fully placed to the Places under the Compensatory Arrangement (“**Scenario 3**”):

	As at the Latest Practicable Date		Scenario 1		Scenario 2 (Note 4)		Scenario 3 (Note 5)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
First Steamship	47,386,928	38.5	94,773,856	38.5	62,029,489	40.3	47,386,928	19.3
Grand Citi	4,419,725	3.6	8,839,450	3.6	5,785,420	3.8	4,419,725	1.8
First Steamship and its associates (Note 1)	51,806,653	42.1	103,613,306	42.1	67,814,909	44.1	51,806,653	21.1
Metroasset Investments Limited (Note 2)	14,000,000	11.4	28,000,000	11.4	20,300,000	13.2	14,000,000	5.7
Legacy Trust Company Limited (Note 3)	18,711,839	15.2	37,423,678	15.2	27,132,167	17.6	18,711,839	7.6
Places	-	-	-	-	-	-	123,040,372	50.0
Other public Shareholders	38,521,880	31.3	77,043,760	31.3	38,521,880	25.0	38,521,880	15.6
Total	123,040,372	100.0	246,080,744	100.0	153,768,956	100.0	246,080,744	100.0

Notes:

- Grand Citi is an indirectly non-wholly owned subsidiary of First Steamship. As at the Latest Practicable Date, Henghua Investment Co., Ltd. is the single largest shareholder of First Steamship, holding approximately 6.92% of the issued shares of First Steamship.
- These Shares are held by Metroasset Investments Limited, 45.09%, 44.38% and 10.53% of the issued share capital of which are beneficially owned by Mr. Hung (an executive Director), Ms. Chen Mei Huei (spouse of Mr. Hung) and Mr. Hung Chih Chun (son of Mr. Hung) respectively.
- To the best knowledge, information and belief of the Directors, these Shares are held by Legacy Trust Company Limited, which is wholly owned by Mr. Vincent Chok.

LETTER FROM THE BOARD

4. In the extreme case as illustrated in Scenario 2 above, assuming full acceptance by all connected persons of the Company only and none of the Unsubscribed Rights Shares are placed to the Placees under the Compensatory Arrangement, the shareholding of First Steamship and its associate will increase from 42.1% to 49.9% and the public float of the Company will decrease to 18.6%. Therefore, the general offer obligation for First Steamship under the Takeovers Code will occur, and the Company's minimum public float requirement of 25% could not be satisfied. In this scenario, the Rights Issue will be scaled down on a pro-rata basis to all applicants (who are connected persons of the Company) of the Rights Issue and the number of Rights Shares to be allocated to First Steamship and Grand Citi will be further scaled down pursuant to the Scale-down Mechanism. As presented in Scenario 2 above, the shareholding of First Steamship and its associate will increase to 44.1% and the public float of the Company will be 25% after the scale down.
5. The Company and the Placing Agent will ensure the minimum public float requirement of 25% will be satisfied by the Company upon completion of the Placing. In the extreme case as illustrated in Scenario 3 above, if none of the Placees is a public Shareholder, only 38,521,879 Shares will be held by the public Shareholders, representing approximately 15.6% of the total issued Shares as enlarged by the allotment of the Rights Shares, which falls below the minimum public float requirement under Rule 8.08(1). In such case, the Placing Agent will determine to allocate such number of Unsubscribed Rights Shares to the Placees in order to ensure the compliance with the public float requirements under Rules 8.08(1) and 13.32B of the Listing Rules. Further, no Unsubscribed Rights Shares will be placed to any individual or entity under the Placing if the placing to any such individual or entity would trigger an obligation to make a general offer under the Takeovers Code.
6. Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

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

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

LETTER FROM THE BOARD

As disclosed in the annual results announcement of the Company for the year ended 31 December 2025 dated 31 March 2026, as at 31 December 2025, the Group reported net liabilities of approximately HK\$207.8 million and net current liabilities of approximately HK\$325.1 million. The bank and other borrowings of the Group amounted to approximately HK\$349.9 million (the “**Outstanding Loans**”), out of which approximately HK\$206.2 million fell under current liabilities. The effective interest rates of the Outstanding Loans ranged between 2.0% and 12.0% per annum. For the year ended 31 December 2025, the Group incurred finance costs of approximately HK\$28.7 million. As at 31 December 2025, the cash and cash equivalents of the Group amounted to approximately HK\$82.0 million, which have been reserved as to approximately (i) HK\$5.5 million for pledged bank deposits; (ii) HK\$62.1 million for the operation expenses of the Group’s satellite TV equipment and antenna products segment, which is one of the principal businesses of the Group; (iii) HK\$9.4 million for the operation expenses of the Group’s media entertainment platform related products segment and other multimedia products segment; and (iv) HK\$5.0 million for the operation expenses of the Group’s headquarters in Hong Kong.

Among the Outstanding Loans, Loan A and Loan B have the highest interest rates of 12.0% and 9.0% (or the prime rate as quoted by Standard Chartered Bank + 3.0%, whichever is higher) per annum, respectively. As at 31 January 2026, other than the Loans, the Company intends to renew bank borrowings of approximately HK\$171.7 million and other borrowings of approximately HK\$6.3 million (“**Bank and Other Borrowings**”) upon their maturity. Among these Bank and Other Borrowings, approximately HK\$40.0 million will be due within 12 months and approximately HK\$138.0 million will be due beyond 12 months.

Loan A of US\$1 million (equivalent to approximately HK\$7.8 million) was granted to the Company by Lender A pursuant to a loan agreement dated 8 August 2024 with an original maturity date of 11 August 2025 (extended to 11 August 2026 pursuant to a supplemental loan agreement dated 23 September 2025). As at the Latest Practicable Date, the outstanding principal amounts of Loan A amounted to US\$1 million (equivalent to approximately HK\$7.8 million) and there was no outstanding interest for Loan A. Lender A is a wholly owned subsidiary of APAC Resources Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1104). Loan A is an unsecured loan and has been fully utilised for the repayment of outstanding interest of Loan B. As at 31 July 2024, the outstanding interest of Loan B amounted to approximately US\$1.08 million. Lender B demanded repayment and informed the Company that it would consider enforcement of the Loan Securities (as defined below) if the Company failed to repay outstanding interest of not less than US\$1 million.

LETTER FROM THE BOARD

Loan B was granted to the Company by Lender B pursuant to a loan agreement dated 19 September 2016 (as supplemented by several supplemental loan agreements, collectively, the “**Loan B Agreement**”) with an initial principal amount of US\$2 million (equivalent to approximately HK\$15.6 million) and an original maturity date of 4 months from the drawdown date. Lender B is wholly-owned by Allied Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 373). As at the Latest Practicable Date, Allied Group Limited was interested in 2,246,000 Shares, representing approximately 1.8% of the issued shares of the Company. Subsequent to the drawdown of US\$2 million (equivalent to approximately HK\$15.6 million) in September 2016, the Company obtained further loans in the principal amount of approximately US\$49.8 million (equivalent to approximately HK\$388.4 million) from Lender B by batches during the period from November 2016 to July 2023 and up to the Latest Practicable Date (no further loans were made since July 2023), amounting in aggregate to approximately US\$51.8 million (equivalent to approximately HK\$404.0 million). As at the Latest Practicable Date, the Company had repaid approximately US\$31.8 million (equivalent to approximately HK\$248.0 million) to Lender B (including the proceeds from the rights issue of the Company completed in July 2023) and the outstanding principal amounts of Loan B amounted to US\$20 million (equivalent to approximately HK\$156 million) with an overdue interest of approximately US\$2.7 million (equivalent to approximately HK\$21.1 million) (up to 31 December 2025). The Company does not have sufficient internal resources to repay Loan B in full due to its loss-making position since the first drawdown of Loan B in 2016. Subsequently, Loan B was extended on several occasions to 23 April 2025. Pursuant to the letters of intent dated 10 September 2025 and 12 February 2026 in respect of repayment of Loan B entered into between the Company and Lender B, the Company proposed and Lender B agreed to (i) extend the repayment date of the outstanding principal amount of Loan B from 23 April 2025 to 22 April 2027, subject to payment of the outstanding interest up to the payment date in full by 30 June 2026 (the “**Repayment Scenario 1**”); or (ii) extend the repayment date of the outstanding principal amount of Loan B from 23 April 2025 to 22 April 2027 and waive 50% of the outstanding interest of Loan B up to 31 December 2025 (the “**Interest Waiver**”), subject to repayment of the outstanding principal amount of Loan B of US\$10 million (equivalent to approximately HK\$78.0 million) and payment of 50% of the outstanding interest of Loan B up to 31 December 2025 by 30 June 2026 (the “**Repayment Scenario 2**”). As at 31 December 2025, the outstanding interest of Loan B amounted to approximately US\$2.7 million (equivalent to approximately HK\$21.1 million), and the Interest Waiver would amount to approximately US\$1.35 million (equivalent to approximately HK\$10.5 million).

LETTER FROM THE BOARD

In accordance with the terms of Loan B, the Company (i) charged the entire Company's undertaking, property and assets as securities to Lender B; and (ii) pledged all the shares owned by the Company in Pro Brand Technology (TW) Inc. ("**PBT**") (a non-wholly owned subsidiary of the Company principally engaged in the production and sale of satellite TV equipment and antenna products, one of the principal businesses of the Group) to Lender B (collectively, the "**Loan Securities**"). The Company has fully applied Loan B as to approximately (i) US\$47.3 million (equivalent to approximately HK\$368.9 million) for the development and operation of satellite television broadcasting business in the Middle East, Mediterranean and Africa (the "**Media Business**") including the purchase of television contents, renting of satellite transponder, purchase of set-top boxes and smart cards and other operating costs such as payment for dealers' commission, marketing and promotion expenses; and (ii) US\$4.5 million (equivalent to approximately HK\$35.1 million) for general working capital of the Group. The Media Business became a principal business segment of the Group since 2016 (details of which were disclosed in the prospectus of the open offer of the Company dated 28 June 2017), and the Company disposed of its interest in the Media Business in 2019. Other than the Media Business, the Group has operated the other existing principal business segments (namely the manufacturing and trading of electronic products) since its listing on the Stock Exchange in 2005. Loan B has matured on 23 April 2025. Unless Loan B is extended (subject to the satisfaction of the conditions under the Repayment Scenario 1 or Repayment Scenario 2 by 30 June 2026), Lender B may enforce the Loan Securities at its discretion.

Although Lender B has conditionally agreed to extend the repayment date of the outstanding principal amount of Loan B to 22 April 2027, taking into account that (i) the Company has overdue and unpaid interest of Loan B of approximately HK\$21.1 million (up to 31 December 2025) as the Company has decided to reserve cash resources for the business operation of the Group having considered the operation expenditure requirements of its business segments and headquarters in Hong Kong; and (ii) the monthly interest payment of Loan B will continue to have a significant adverse impact on the operating cash flow and profitability of the Group if the principal amounts of the Loans are not reduced, the Company considers it financially prudent for the Company to raise capital to pay down the outstanding principal amount of the Loans as soon as practicable. Although the Group has cash and cash equivalents of approximately HK\$82.0 million as at 31 December 2025, of which HK\$62.1 million is held by PBT (a 54.2%-owned subsidiary of the Company) for its normal business operations, HK\$5.5 million is held as pledged bank deposits (which will be released upon the settlement of short-term bank borrowings of the Group) and the remaining of HK\$14.4 million is held by the Company and its subsidiaries. The Company could not ration the cash resources of its non-wholly owned subsidiary, PBT, to repay the debt of the Company. The remaining balance of free cash of HK\$14.4 million has been reserved to maintain the normal operation of other business segments and the headquarters of the Company in Hong Kong.

LETTER FROM THE BOARD

The maximum gross and net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$92.3 million and approximately HK\$90.2 million (before deducting any placing commission), respectively. The Company intends to make repayment pursuant to the Repayment Scenario 2 and apply the net proceeds from the Rights Issue as follows:

- (a) up to approximately HK\$79.7 million for partial repayment of the principal amount of Loan B; and
- (b) approximately HK\$10.5 million for repayment of the outstanding interest of Loan B (up to 31 December 2025), assuming the Interest Waiver applies.

After the repayment, the outstanding principal amount of Loan B will be reduced to HK\$76.3 million. It is estimated that the finance costs of the Group will be reduced by approximately HK\$7.2 million per annum, and the financial position of the Group will also improve with the net current liabilities and net liabilities reducing to approximately HK\$234.9 million and HK\$117.6 million, respectively (based on the financials of the Group as at 31 December 2025).

As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds of the Rights Issue cannot be ascertained at this point. The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue and the Unsubscribed Rights Shares are not fully placed to the Placees under the Compensatory Arrangement, the net proceeds from the Rights Issue will not be sufficient to repay US\$10 million of Loan B to Lender B, and the Company will not be able to make the repayment pursuant to the Repayment Scenario 2. In this scenario, the Company will make the repayment pursuant to the Repayment Scenario 1. The net proceeds from the Rights Issue will be applied in the following order of priority: (i) for repayment of outstanding interest of Loan B; and (ii) for repayment of the principal amount of Loan A and then Loan B as Loan A bears the highest interest of 12.0% per annum. The net proceeds are expected to be utilised immediately after completion of the Rights Issue and the entering into of a supplemental loan agreement in respect of Loan B between the Company and Lender B. Further announcement will be made by the Company in respect of the repayment under the Repayment Scenario 1 or the Repayment Scenario 2 upon completion of the Rights Issue.

LETTER FROM THE BOARD

In the event that there is any shortfall in net proceeds from the Rights Issue, subject to market conditions and operating conditions, the Company will further evaluate the available options including but not limited to rationing internal financial resources, the placing of new Shares and realizing investments on hand to ensure the outstanding interest of Loan B is settled in full to facilitate the extension of the repayment date of Loan B to 22 April 2027 as agreed by Lender B. Given the repayment date of Loan B will be extended to 22 April 2027 (subject to fulfilment of the conditions under the Repayment Scenario 1 or Repayment Scenario 2), the Company will not have immediate need to settle the remaining principal amount of Loan B. As at the Latest Practicable Date, the Company does not have a concrete plan to further pay down Loan B. However, the Company will from time to time assess all opportunities for fundraisings (including placing of new Shares and rights issue/open offer) and/or realizing investments on hand and/or rationing of internal financial resources to further pay down Loan B before the extended repayment date, in the next twelve (12) months.

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

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

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 of the Company by more than 50% within the 12-month period immediately preceding the date of the Announcement (taking into account the effect of the Capital Reorganisation), the Rights Issue was made conditional upon the minority Shareholders' approval of at the SGM, and any controlling shareholders of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates was required to abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM.

LETTER FROM THE BOARD

As at the date of the SGM, First Steamship was a controlling shareholder of the Company interested in 518,066,538 Shares (comprising 473,869,283 Shares held by First Steamship and 44,197,255 Shares held by Grand Citi), representing approximately 42.1% of the issued share capital of the Company. As such, First Steamship (being a controlling shareholder of the Company) and its associates (including Grand Citi) were required to abstain from voting in favour of the resolution(s) in relation to the Rights Issue and the Placing Agreement at the SGM. In addition, given the net proceeds from the Rights Issue is intended to be used to repay Loan B and its outstanding interest, Allied Group Limited (the owner of Lender B and interested in 22,460,000 Shares, representing approximately 1.8% of the issued shares of the Company) was considered to have a material interest in the Rights Issue and was required to abstain from voting in favour of the resolution(s) in relation to the Rights Issue and the Placing Agreement at the SGM.

At the SGM, the necessary resolutions approving, among other things, the Rights Issue and the Placing Agreement, and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activity involving the issue of equity securities in the past twelve months immediately preceding the Announcement and up to the Latest Practicable Date.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Rights Issue having become unconditional. Accordingly, the Rights Issue may or may not proceed.

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

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

By order of the Board
Sandmartin International Holdings Limited
Chen Wei Chun
Executive Director

SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2023, 2024 and 2025, is disclosed in the following documents, which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.sandmartin.com.hk>), respectively:

- (i) the audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 30 April 2024, from pages 78 to 195 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043002830.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 December 2024 is disclosed in the annual report of the Company for the year ended 31 December 2024 published on 17 October 2025, from pages 81 to 199 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1017/2025101701676.pdf>); and
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2025 is disclosed in the annual result announcement of the Company for the year ended 31 December 2025 published on 31 March 2026, from pages 8 to 26 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0331/2026033104547.pdf>).

As at the Latest Practicable Date, no member of the Group has, since 31 December 2025 (i.e. the date to which the latest published audited accounts of the Company have been made up), acquired or agreed to acquire, nor is proposing to acquire, a business or an interest in the share capital of any company whose profits or assets would make a material contribution to the figures in the auditors' report or the next published accounts of the Company.

The management discussion and analysis of the Company for each of the financial years ended 31 December 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the financial years ended 31 December 2023 and 2024 and the annual results announcement of the Company for the year ended 31 December 2025.

STATEMENT OF INDEBTEDNESS

As at the close of business on 28 February 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this prospectus, the Group's indebtedness is set out below.

The Group had outstanding borrowings of approximately HK\$341.9 million comprising bank loans of approximately HK\$171.7 million, secured and unguaranteed short term loan of approximately HK\$156.1 million; and unsecured and unguaranteed short term loan of approximately HK\$14.1 million. As at 28 February 2026, (i) bank loans of approximately HK\$12.1 million were secured and guaranteed; and (ii) the remaining bank loans of the Group of approximately HK\$159.6 million were secured and unguaranteed bank loans.

As at 28 February 2026, the Company had recognised the provision for financial guarantee amounting to US\$3.5 million (equivalent to approximately HK\$27.3 million) in favour of a former subsidiary of the Company, My HD Media FZ-LLC, in relation to its financial obligations.

As at the close of business on 28 February 2026, the Group had lease liabilities with the amount of approximately HK\$47.4 million, which were unsecured and unguaranteed.

Save as disclosed above and apart from intra-group liabilities, at the close of business on 28 February 2026, the Group did not have any loan capital issued and outstanding or agreed to be issued, other debt securities or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payables) or acceptance credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other contingent liabilities.

The Directors confirmed that, save as disclosed above, there has been no material change in the indebtedness and contingent liabilities of the Group since 28 February 2026 up to the Latest Practicable Date.

SUFFICIENCY OF WORKING CAPITAL

As disclosed in the announcement of final results of the Company for the year ended 31 December 2025, the Group incurred a net loss of HK\$158,207,000 for the year ended 31 December 2025 and as of that date, the Group had net current liabilities and net liabilities of approximately HK\$325,135,000 and HK\$207,839,000 respectively. As at 31 December 2025, the Group's current bank and other borrowings amounted to HK\$206,185,000, which mainly comprised Loan A of HK\$7,800,000 and bank borrowings of HK\$35,757,000 repayable within one year and are subject to renewal and other loan of HK\$155,666,000 repayable on demand. Whilst the Group had cash and bank balances of HK\$76,538,000 only as at 31 December 2025. In determining the sufficiency of the working capital of the Group, the Directors have given careful consideration to the future liquidity and performance of the Group as well as the cash flow forecast and its available sources of financing and have made the following assumptions:

- (i) Included in the Group's current bank and other borrowings as at 31 December 2025 was Loan B with principal of US\$20,000,000, equivalent to approximately HK\$155,666,000. The Loan B was initially scheduled to be repaid in April 2025 but remained outstanding as at 31 December 2025.

Pursuant to the letters of intent dated 10 September 2025 and 12 February 2026 entered into between the Company and the lender of the Loan B (the "Lender"), the Company proposed and the Lender agreed to:

- (a) extend the repayment date of the outstanding principal amount of Loan B from 23 April 2025 to 22 April 2027, subject to repayment of the outstanding interest up to the payment date in full by 30 June 2026 (Scenario 1); or

- (b) extend the repayment date of the outstanding principal of the Loan B from 23 April 2025 to 22 April 2027 and waive 50% of the outstanding interest accrued up to 31 December 2025, subject to repayment of the principal of the Loan B in the sum of US\$10 million (equivalent to approximately HK\$78 million) and payment of 50% of the outstanding interest accrued up to 31 December 2025 by 30 June 2026 (Scenario 2).

Notwithstanding the above repayment proposal, the Loan B has not been legally extended and the Lender may enforce its right to demand immediate repayment at its discretion.

As at 31 December 2025, the outstanding interest of the Loan B amounted to HK\$21,055,000 (included in other payables) and the interest that would be waived under Scenario 2 had the conditions been met amounted to approximately HK\$10.5 million.

The funding required under Scenario 1 and Scenario 2 are estimated to be HK\$28.1 million and HK\$88.5 million respectively.

In connection to the above repayment proposal, the Company proposed to implement a rights issue on the basis of one rights share for every one adjusted share (as adjusted as a result of the proposed capital reorganisation as mentioned below) held on the record date at the subscription price of HK\$0.75 per rights share (the “Rights Issue”). The Company intends to apply the proceeds of the Rights Issue to finance the above repayment proposal.

It is assumed that the Rights Issue will be duly completed in May 2026, and the net proceeds generated from the Rights Issue would amount to HK\$90.2 million, assuming 123,040,372 rights shares are fully subscribed, or HK\$21.0 million, assuming subscription only by all connected persons of the Company.

- (ii) As at 31 March 2026, the Group has unutilised bank facilities totalling HK\$116 million.
- (iii) Based on the recent communication with the banks providing facilities, the Group expects to renew most of its existing banking facilities on the basis that the Group has complied with the terms of the loan arrangements and that, based on the Directors’ experience and communication with the relevant banks, there remains sufficient headroom in the credit enhancements, mainly security of the investment properties, provided by the Group over the outstanding borrowings.
- (iv) The Group has put effort in boosting its sales performance particularly the satellite TV equipment and antenna products segment. Also, the management would adopt costs control measures to enhance operating cash flows.

The Directors, after due and careful enquiries, are of the opinion that, taking into account the financial resources presently available to the Group including internally generated funds, the currently available banking facilities and other borrowings, the abovementioned assumptions and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of the publication of this Prospectus.

MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Company since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

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

Media entertainment platform-related products

In response to the challenging economic environment, the Group's media entertainment platform related products segment continued to explore new business opportunities in emerging markets. The revenue of this segment decreased by approximately 78.06% as compared with the year ended 31 December 2024. The segment revenue of media entertainment platform related products was approximately HK\$37,131,000 (2024: approximately HK\$169,268,000). The segment results from operations were approximately HK\$5,181,000 (2024: approximately HK\$12,330,000). The segment margin was approximately 13.95% as compared with segment margin of approximately 7.28% in 2024. The Group is exploring new business opportunities for this segment. The China-US trade war is not expected to have a material adverse impact on this segment as this segment does not have customers in the US.

Other multimedia products

Owing to the increase in material costs and freight charges, the profitability of the Group's other multimedia products segment was lower than expected. Major products of this segment included cables, multimedia accessories and wireless mobile phone chargers for vehicles. The revenue of this segment decreased by approximately 7.20% as compared with the year ended 31 December 2024. The segment revenue of other multimedia products was approximately HK\$95,356,000 (2024: approximately HK\$102,752,000). The segment results from operations were approximately HK\$12,092,000 (2024: approximately HK\$6,091,000). The segment margin was approximately 12.68% as compared with the segment margin of approximately 5.93% in 2024. The Group is enhancing its product portfolio and developing new businesses to cope with the new demand from customers. The China-US trade war has some impact on this segment as some of the customers are located in the US. The Group is trying to minimise such impact by sourcing from suppliers outside the PRC, such as Southeast Asia and adjusting logistics structure.

Satellite TV equipment and antenna products

The segment margin of the Group's satellite TV equipment and antenna products segment showed a decline notwithstanding the gradual recovery of economy in North America. The revenue of this segment decreased by approximately 15.78% as compared with the year ended 31 December 2024, while the segment results decreased by approximately 38.94%. The segment revenue of satellite TV equipment and antenna products was approximately HK\$317,242,000 (2024: approximately HK\$376,669,000). The segment results from operations were approximately HK\$11,462,000 (2024: approximately HK\$18,773,000). The segment margin was approximately 3.61% as compared with the segment margin of approximately 4.98% for the year ended 31 December 2024. Low noise blocking down converters ("LNBS") are receiving devices mounted on satellite dishes used for reception, which collect microwaves from the satellite dishes and facilitate the transmission of satellite television signals. Apart from the sales of LNBS to the customers in North America, the Group is exploring business opportunities in other areas such as cross-selling LNBS to other existing customers of the Group in South Asia. The research and development team of the Group endeavours to develop new products for next generation radio and antenna communications. As certain components of the LNBS are sourced from the PRC, the tariff imposed on Chinese-origin goods by the US government as a result of the China-US trade war has some impact on this segment, as most of the customers are located in the US. Such impact is mitigated by sourcing from suppliers outside the PRC, such as Southeast Asia.

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company (the “Unaudited Pro Forma Financial Information”) which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants, to illustrate the effect of the Rights Issue, on the consolidated net tangible liabilities of the Group as if the Rights Issue had been taken place on 31 December 2025.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net liabilities of the Group attributable to owners of the Company as at 31 December 2025 as extracted from the Group’s consolidated financial statements set out in the published announcement of final results of the Company for the year ended 31 December 2025, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2025 or any future date.

	Consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 3(a))	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 immediately after the completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company per Share before the completion of the Rights Issue HK\$ (Note 4)	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share immediately after the completion of the Rights Issue HK\$ (Note 5(a))
Based on 123,040,372 Rights Shares to be issued at the Subscription Price of HK\$0.75 per Rights Share	(164,241)	90,180	(74,061)	(1.3349)	(0.3010)
Scenario for illustrative purposes	(Note 1)	(Note 3(b))		(Note 4)	(Note 5(b))
Based on 30,728,584 Rights Shares to be issued at the Subscription Price of HK\$0.75 per Rights Share	(164,241)	20,946	(143,295)	(1.3349)	(0.9319)

Notes:

1. The amount of consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 was approximately HK\$164,241,000, which is based on the consolidated net liabilities of the Group attributable to owners of the Company as at 31 December 2025 of approximately HK\$159,858,000, adjusted by intangible assets of approximately HK\$4,383,000 respectively as shown on the consolidated statement of financial position of the Group as at 31 December 2025, as extracted from the published announcement of final results of the Company for the year ended 31 December 2025.
2. The number of Shares in issue have been retrospectively adjusted from 1,230,403,725 Existing Shares as at 31 December 2025 into 123,040,372 Shares, as a result of Share Consolidation, assuming became effective on 31 December 2025 by which every ten issued and unissued Shares of HK\$0.10 each were consolidated into one Consolidated Share of HK\$1.00 each.
- 3(a). The estimated net proceeds from the Rights Issue of approximately HK\$90,180,000 are calculated based on 123,040,372 Rights Shares to be issued (according to the number of Consolidated Shares in note 2) at the Subscription Price of HK\$0.75 per Rights Share, after deduction of the estimated costs directly attributable to the Rights Issue, of approximately HK\$2,100,000, assuming full subscription under the Rights Issue.
- 3(b). **Scenario for illustrative purposes assuming (1) full acceptance by all connected persons of the Company only, (2) no Unsubscribed Rights Shares have been placed by the Placing Agent, and (3) Rights Shares to be issued to the relevant applicants to the extent pursuant to the public float requirement under the Listing Rules and the Scale-down Mechanism.**

For illustrative purposes, the estimated net proceeds from the Rights Issue of approximately HK\$20,946,000 are calculated based on the 30,728,584 Rights Shares to be issued (after the Share Consolidation described in note 2) at the Subscription Price of HK\$0.75 per Rights Share, after deduction of the estimated costs directly attributable to the Rights Issue, of approximately HK\$2,100,000, assuming that full acceptance by all connected persons of the Company only, no Unsubscribed Rights Shares have been placed by the Placing Agent, and the Rights Shares to be issued to the relevant applicants to the extent pursuant to the public float requirement under the Listing Rules and the Scale-down Mechanism.
4. The unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company per Share before the completion of the Rights Issue is calculated based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 of approximately HK\$164,241,000 as set out in note 1 above, divided by 123,040,372 Shares in issue as at 31 December 2025 (according to the number of Consolidated Shares in note 2).
- 5(a). The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share immediately after the completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 immediately after the Rights Issue had been taken place of approximately HK\$74,061,000 divided by 246,080,744 Shares which comprise 123,040,372 Shares in issue as at 31 December 2025 (according to the number of Consolidated Shares in note 2) and 123,040,372 Rights Shares to be issued under the Rights Issue.

- 5(b). **Scenario for illustrative purposes assuming (1) full acceptance by all connected persons of the Company only, (2) no Unsubscribed Rights Shares have been placed by the Placing Agent, and (3) Rights Shares to be issued to the relevant applicants to the extent pursuant to the public float requirement under the Listing Rules and the Scale-down Mechanism.**

For illustrative purposes, the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share immediately after the completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 immediately after the Rights Issue had been taken place of approximately HK\$143,925,000 divided by 153,768,956 Shares which comprise 123,040,372 Shares in issue as at 31 December 2025 (according to the number of Consolidated Shares in note 2) and 30,728,584 Rights Shares to be issued under the Rights Issue assuming that full acceptance by all connected persons of the Company only, no Unsubscribed Rights Shares have been placed by the Placing Agent, and the Rights Shares to be issued to the relevant applicants to the extent pursuant to the public float requirement under the Listing Rules and the Scale-down Mechanism.

6. Save as disclosed in the above notes, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the accountants' report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of inclusion in this prospectus.



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TO THE DIRECTORS OF SANDMARTIN INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sandmartin International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 and related notes as set out on pages 43 to 45 of Appendix II to the prospectus issued by the Company dated 9 April 2026 (the “Prospectus”) in connection with the proposed rights issue of the Company on the basis of one rights share for every one adjusted share held on the record date (“Rights Issue”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group’s consolidated net tangible liabilities attributable to owners of the Company as at 31 December 2025 as if the Rights Issue had been taken place at 31 December 2025. As part of this process, information about the Group’s net tangible liabilities attributable to owners of the Company has been extracted by the directors of the Company from the Group’s consolidated financial statements for the year ended 31 December 2025, on which an announcement of final results has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company 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 (the “**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 behavior.

Our firm applies Hong Kong Standard on Quality Management 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 Accountants' 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 accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company 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 the 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 Rights Issue 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 unaudited 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, 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 of the Company 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.

BDO Limited

Certified Public Accountants

Hong Kong

9 April 2026

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 Group. 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.

SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date) will be as follows:

As at the Latest Practicable Date*HK\$*

Authorised share capital:

10,000,000,000 Shares of HK\$0.10 each

1,000,000,000.00

Issued and paid-up share capital:

123,040,372 Shares of HK\$0.10 each

12,304,037.20

Immediately following the completion of the Rights Issue (assuming no other issue or repurchase of Shares up to completion of the Rights Issue)

HK\$

Authorised share capital:	
10,000,000,000 Shares of HK\$0.10 each	<u>1,000,000,000.00</u>
Issued and paid-up share capital:	
246,080,744 Shares of HK\$0.10 each	<u>24,608,074.40</u>

All the Shares rank *pari passu* with each other in all respects, including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects, including rights to dividends, voting and return of capital. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of issue of the fully-paid Rights Shares.

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 to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange, and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

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

The Company had not issued any Shares since 31 December 2025, being the end of the last financial year of the Company, and up to the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there was no share or loan capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there was no founder or management or deferred shares in the Company.

DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations*(i) Long positions in the shares, underlying shares and debentures of the Company*

Name of Director	Capacity	Number of ordinary shares and underlying shares held	Percentage of the issued share capital
Mr. Hung Tsung Chin	Interest of controlled corporation	14,000,000 ¹	11.38%

Note:

- These shares represent shares held by Metroasset Investments Limited in which Mr. Hung beneficially owns 45.09% of the issued share capital. The number of Shares interested has been adjusted to take into account the effect of the Capital Reorganisation.
- The calculation is based on the total number of 123,040,372 Shares in issue as at the Latest Practicable Date.

(ii) Long positions in the shares, underlying shares and debentures of associated corporations of the Company

Name of associated corporation:

Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company

Name of Director	Capacity	Number of shares held	Percentage to the issued share capital
Mr. Chen Wei Chun	Interest of controlled corporation	350,000 (Note 1)	0.44%
	Beneficial owner	300,000 (Note 2)	0.38%
Mr. Hung Tsung Chin	Beneficial owner	450,000 (Note 3)	0.57%

Notes:

1. These shares are held by Jun Zhong Investment Limited (鈞仲投資有限公司) in which Mr. Chen Wei Chun beneficially owns the entire issued share capital.
2. These shares represent 300,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, owned by Mr. Chen Wei Chun.
3. These shares represent 450,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, owned by Mr. Hung.
4. The calculation is based on the total number of 78,923,970 shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, saved as disclosed above, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of 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 the provisions of 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, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange; or (iv) were required to be disclosed under the Takeovers Code.

Interest of substantial shareholders

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares

Name	Capacity	Number of Shares <i>(Note 4)</i>	Shareholding
First Steamship <i>Note 1</i>	Beneficial owner	47,386,928	38.51%
	Interest of controlled corporation	4,419,725	3.59%
Legacy Trust Company Limited <i>Note 2</i>	Beneficial owner	18,711,839	15.21%
Metroasset Investments Limited <i>Note 3</i>	Beneficial owner	14,000,000	11.38%
Chan Mei Huei <i>Note 3</i>	Interest of controlled corporation	14,000,000	11.38%
Chen Ming-Jieh	Beneficial owner	12,000,000	9.75%

Notes:

1. First Steamship is interested in 51,806,653 Shares (comprising 47,386,928 Shares held by First Steamship and 4,419,725 Shares held by Grand Citi), representing approximately 42.1% of the issued share capital of the Company. Mr Kuo Jen Hao, the chairman and a non-executive Director, is a director of First Steamship.
2. Legacy Trust Company Limited is wholly owned by Mr. Vincent Chok, an Independent Third Party (save for his capacity of being a substantial shareholder of the Company).
3. Metroasset Investments Limited is owned as to 45.09% and 44.38% by Mr. Hung and Ms. Chen Mei Huei (spouse of Mr. Hung) respectively. Mr. Hung, an executive Director, is a director of Metroasset Investments Limited.
4. The number of Shares interested has been adjusted to take into account the effect of the Capital Reorganisation.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, (i) no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group; and (ii) none of the Directors or proposed Director is a director or employee of a company which has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to or was proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

MATERIAL CONTRACTS

Save for the Placing Agreement, no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group during the two years immediately preceding 24 October 2025 (being the date of the Announcement) up to and including the Latest Practicable Date.

LITIGATION

As at the Latest Practicable Date, the Group was involved in the following litigations:

- (i) In October 2020, Aggressive Digital Systems Private Ltd. (“AD”, a non-wholly owned subsidiary of the Company) received a summons (the “Summons”) to the National Company Law Tribunal (“NCLT”) at Chandigarh in India that was filed by Aggressive Electronics Manufacturing Services Private Limited (“AEMS”, a minority shareholder of AD) and Mr. Neeraj Bharara (collectively the “Petitioners”) against Top Dragon Development Limited (a wholly owned subsidiary of the Company and the shareholder of AD), AD and certain directors of AD (collectively the “Respondents”) alleging that the Respondents made undue acts either of oppression or mismanagement and claiming for losses caused to the Petitioners arising from such undue acts. As advised by the Company’s legal advisers in India, the Respondents have a good case and, with due diligence, in all likelihood may reach a logical conclusion of a favourable outcome as the factual/legal position is in the Respondents’ favour. Therefore, the Company has, on its current assessment and information available at this time, not recognised any contingent liabilities for this litigation and, does not expect that this litigation is likely to have any significant impact on the Group.

Save as disclosed above, no member of the Group was involved in any litigation or claims of material importance, and no litigation or claims of material importance were pending or threatened against any member of the Group as at the Latest Practicable Date.

EXPERT AND CONSENT

The qualifications of the expert who has given opinions, letters or advices contained in this prospectus are set out below:

Name	Qualification
BDO Limited	Certified public accountants

The above expert has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its letter, advice, report and/or references to its names, in the form and context in which they are respectively included.

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have 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 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

EXPENSES

The expenses payable by the Company in connection with the Rights Issue and the Placing Agreement, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$2.1 million.

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of the existing Directors and senior management of the Group are set out below:

Executive Directors

Mr. Hung Tsung Chin, aged 65, is the founder of the Group, which was founded in November 1989. He was the Chairman of the Board until 18 August 2017. Mr. Hung acts as an executive Director and authorised representative of the Company. He is currently the director of certain subsidiaries of the Company and the chief executive officer of several subsidiaries of the Company which are engaged in the Manufacturing and Trading of Electronic Products Business Division. Mr. Hung has over 34 years of management experience in the electronics manufacturing industry. He graduated from the National Chengchi University in Taiwan, with a bachelor's degree in business administration. Mr. Hung also completed the executives programme from the Graduate School of Business Administration, National Chengchi University. He is the husband of Ms. Chen Mei Huei, the director of several subsidiaries of the Company and the chief executive officer of the Satellite Broadcasting Services Business Division.

Mr. Chen Wei Chun, aged 49, joined the Group in May 2015 and was appointed as an executive Director and Chief Financial Officer of the Company on 28 August 2015 and 30 November 2017 respectively. He is also the director and the chief financial officer of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company. Mr. Chen graduated from National Chengchi University and Shih Chien University with a master's degree in finance and a master's degree in business administration respectively. He is well experienced in accounting and finance industries. Prior to joining the Group, Mr. Chen was the head of finance department of TTY Biopharm Company Limited and head of finance department of K.H.S. Musical Instrument Company Limited.

Non-Executive Director

Mr. Kuo Jen Hao, aged 49, is a non-executive Director since 18 August 2017 and the chairman of the Board since 24 August 2021. He graduated with a bachelor's degree in Business Administration from Aletheia University in Taiwan and holds a master's degree of business administration from Pace University in 2003 in the United States. Mr. Kuo is a certified public accountant of the New Jersey State Board of Accountancy. He has several years of work experience in investment advisory, financial advisory and corporate finance at PricewaterhouseCoopers, Bank of America Merrill Lynch and Private Equity Management Group and held various key roles at several private and listed companies engaging in (i) the administrative and corporate business; (ii) corporate finance; and (iii) general management in real estate development business, shipping business, retailing business and logistics business. Mr. Kuo has a wealth of experience in business strategy development and innovation management. He is the chairman and the general manager of First Steamship (a company listed on the Taiwan Stock Exchange Corporation ("TWSE") (TWSE Stock Code: 2601) and is a substantial shareholder of the Company and through its subsidiaries collectively holds 42.11% of the issued share capital of the Company). Mr. Kuo is also a director and the chairman of Grand Ocean Retail Group Limited (a company listed on the TWSE (TWSE Stock Code: 5907) and is a subsidiary of First Steamship) and Taiwan Environment Scientific Co., Ltd. (a company listed on the Taipei Exchange) (Taipei Exchange Stock Code: 8476). He is currently a non-executive director and the chairman of Da Yu Financial Holdings Limited (Stock Code: 1073). He is also a director of several subsidiaries of the First Steamship, including but not limited to Mariner Finance Limited, Morton Securities Limited and First Steamship S.A. He has served as a non-executive director and the chairman of the board of Summit Ascent Holdings Limited (a company previously listed on the Stock Exchange with Stock Code: 102 and delisted on 1 September 2025) from 28 December 2017 to 26 April 2019. Mr. Kuo was a director of IRC Properties, Inc. (a company listed on the Philippine Stock Exchange) from July 2017 to May 2018.

Independent Non-executive Directors

Ms. Chen Wei-Hui, aged 48, is an independent non-executive Director since 23 December 2022. She is currently the chairperson of Audit Committee, member of each of Nomination Committee and Remuneration Committee. She was conferred the master's degree of Accounting from National Chengchi University in 2002 and Bachelor's degree of Accounting from Fu Jen Catholic University in 1999, both in Taiwan. Ms. Chen is a certified public accountant of the Republic of China, a Certified Internal Auditor of The Institute of Internal Auditors-Chinese Taiwan and a Land Administration Agent of the Republic of China. Ms. Chen is a Land Administration Agent of Canaan Land Registration Office since 2022 and was an Assistant Vice President of Taipei Exchange from 2005 to 2022 and Audit Assistant Manager of Deloitte and Touche of Taiwan from 2002 to 2005.

Mr. Lu Ming-Shiuan, aged 54, is an independent non-executive Director since 24 August 2021. He is currently the chairman of Nomination Committee, member of each of Audit Committee and Remuneration Committee. He was conferred the degree of Master of Law in Science and Technology from the Institute of Law of Science and Technology, College of Technology Management at the National Tsing Hua University in 2010, in Taiwan. Mr. Lu has been appointed as a member of the Taipei Bar Association since 2013. Mr. Lu is a senior partner of Heng-Sheng Attorney-at-Law since April 2016 and was a prosecutor of Taiwan Pingtung District Prosecutors Offices and Taiwan Miaoli District Prosecutors Offices.

Mr. Wu Chia Ming, aged 58, is an independent non-executive Director since 1 December 2014. He is currently the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Wu has a master's degree in business administration from the Institute of International Business, National Chen-kung University and a bachelor's degree in electronic engineering from Chung Yuan Christian University in Taiwan. He has nearly 29 years of experience in financial analysis and fund management. Currently, Mr. Wu is the chairman of Fortune-Future Investment Co., Ltd. Prior to that, he was a fund manager of KGI Securities Investment Trust Co., Ltd.

Senior management

Ms. Chen Mei Huei, aged 63, is a director of several subsidiaries of the Company and Chief Executive Officer of Satellite Broadcasting Services Business Division. She is a co-founder of the Group since 1989. She is currently a director of several subsidiaries of the Company and the chief executive officer of Satellite Broadcasting Services Business Division. Ms. Chen is responsible for the overall management of the Group including all overseas offices. She has been actively engaged in the sales and marketing development of the Group in Taiwan and the international markets for more than 34 years and has particular focus on new customers and new market development in recent years. Ms. Chen graduated from Tamkang University in Taiwan with a dual bachelor's degree in Spanish Literature and International Trade. She is the wife of Mr. Hung Tsung Chin, an executive Director and authorised representative of the Company.

Mr. Frank Karl-Heinz Fischer, aged 66, is a director of several subsidiaries of the Company, Vice President of the Group, Chief Technology Officer of the Group. He joined the Group in January 2008 and is currently a director of several subsidiaries of the Company, and the vice president and chief technology officer of the Group. He is responsible for the global marketing strategy and technical support of the Group. Mr. Fischer has more than 34 years of experience in hardware and software development for consumer electronic products in Europe and has been involved in Digital TV technologies since the beginning of Digital Video Broadcasting ("DVB") Project in 1994. He graduated as diploma degree engineer for automation technology and cybernetics from the Technical University Leipzig in Germany.

Mr. Hsiao Yu Jung, aged 60, is the deputy General Manager of the Group's DVB division. He joined the Group in July 2002 and is currently the deputy general manager of the Group's DVB division. He is responsible for procurement, manufacturing and development of the Group's DVB products and supervision of the Company's associate company in Nepal. Mr. Hsiao obtained a diploma in mechanical design engineering from the National Formosa University in Taiwan.

Mr. Su Jow Shi, aged 62, is the general Manager of the Group's digital TV division. He joined the Group in September 1995 and is currently the general manager of the Group's digital TV division. He is responsible for the Group's digital TV operations in South Asia region. Mr. Su graduated from the San Diego State University where he earned a Master of Public Administration degree.

Ms. Su Wan Ling (also known as Ms. Julia Swen), aged 60, is a director of Pro Brand Technology (TW) Inc. She has been working in our Group since 2007 and is currently a director of Pro Brand Technology (TW) Inc. She is responsible for promoting cable products, satellite and digital television products in the market of the United States. Ms. Su graduated from the University of California, with a bachelor's degree in Biochemistry; a master's degree in Environmental Science and a master's degree of Business Administration. She has over 29 years of experience in research of biotechnology field and business management.

Mr. Sven Willig, aged 52, is the general Manager of Intelligent Digital Services GmbH ("IDS"). He has joined the Group since 2005 and is currently the general manager of IDS. He is responsible for business and project development of IDS. Mr. Sven has over 24 years of management experience in the development and quality control of digital television technologies.

Mr. Tsai Li Che, aged 47, is the general Manager of China Region, Sandmartin (Zhong Shan) Electronic Co., Ltd. He joined the Group in December 2001 and is currently the general manager of China Region of Sandmartin (Zhong Shan) Electronic Co., Ltd. He is responsible for the operation of multimedia business in China region. Mr. Tsai graduated from Murdoch University with a bachelor degree of information technology. He has 23 years of experience in technology development and management and the relevant sales business in the field of international trade of multimedia.

Business address of the Directors and senior management

The business address of the Directors and senior managers of the Group is the same as the Company's principal office in Hong Kong at Unit 516, 5th Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office:	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Head office and principal place of business in Hong Kong:	Unit 516, 5th Floor Peninsula Centre 67 Mody Road Tsim Sha Tsui East Kowloon Hong Kong
Legal advisers to the Company in relation to the Rights Issue:	As to Hong Kong law: CLKW Lawyers LLP Room 1901A, 1902 & 1902A 19/F, New World Tower 1 16-18 Queen's Road Central Central Hong Kong
Principal share registrar and transfer office:	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Hong Kong branch share registrar and transfer office:	Boardroom Share Registrars (HK) Limited Room 2103B 21st Floor 148 Electric Road North Point Hong Kong
Financial adviser to Company:	Yu Ming Investment Management Limited Room 1801 18th Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong

Auditors and reporting accountants:	BDO Limited <i>Certified public accountants</i> 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong
Principal bankers:	CTBC Bank Co., Ltd. 1/F, No. 168 Jingmao 2nd Road Nangang District Taipei City 115, Taiwan R.O.C. China Guangfa Bank Co., Ltd. No. 713, Dongfengdong Road Yuxiu District, Guangzhou Guangdong, China Land Bank of Taiwan Co., Ltd. No.46, Guancian Rd. Jhongjheng District Taipei City 100007 Taiwan R.O.C.
Authorised representatives:	Mr. Hung Tsung Chin Unit 516, 5th Floor Peninsula Centre 67 Mody Road Tsim Sha Tsui East Kowloon Hong Kong Ms. Tung Wing Yee Winnie 31/F, 148 Electric Road North Point Hong Kong
Company Secretary:	Ms. Tung Wing Yee Winnie (<i>a fellow member of The Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of the CPA Australia</i>)

Placing agent: Morton Securities Limited
Room 1804-05
18th Floor Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

GENERAL

- (i) 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.
- (ii) As at the Latest Practicable Date, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business.
- (iii) 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.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.sandmartin.com.hk) and the Stock Exchange (www.hkexnews.hk) during the period of 14 days from the date of this prospectus:

- (i) the annual reports of the Company for each of the financial years ended 31 December 2023 and 2024;
- (ii) the annual results announcement of the Company for the year ended 31 December 2025 dated 31 March 2026;
- (iii) the report from BDO Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (iv) the written consent of the expert as referred to in the section headed "Expert and Consent";
- (v) the Placing Agreement; and
- (vi) the Prospectus Documents.

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.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

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