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Litian Pictures Holdings Limited

力天影業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9958)

**I. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
II. PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
AND
III. PROPOSED CHANGE IN BOARD LOT SIZE**

Placing Agent



PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$5,000,000 divided into 500,000,000 Shares of HK\$0.01 each to HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each by creating an additional 3,500,000,000 unissued Shares of HK\$0.01 each. The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

PROPOSED RIGHTS ISSUE

Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Board proposes to raise gross proceeds of up to approximately HK\$190 million (assuming full subscription under the Rights Issue) by way of issuing up to 2,000,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.095 per Rights Share on the basis of four (4) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

The maximum net proceeds from the Rights Issue after deducting the relevant expenses are estimated to be approximately HK\$188 million (assuming no change in the number of Shares in issue on or before the Record Date). The net price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.094. The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 50.0% (or approximately HK\$95.0 million), for repaying existing debts and trade and other payables of the Group; (ii) approximately 30.0% (or approximately HK\$57.0 million) for the development of the Company's present business including the development and production of movie and/or drama series; and (iii) approximately 20.0% (or approximately HK\$38.0 million) for enhancing the general working capital of the Group.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 1,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Friday, 9 October 2026. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

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 by more than 50% within a 12 month period immediately preceding the date of this announcement, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the Controlling Shareholders and their associates or, where there are no Controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, the Company has no Controlling Shareholder, accordingly, the Directors (excluding independent non-executive Directors) and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules. As at the date of this announcement, none of the Directors and their respective associates is interested in any Shares.

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

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liang Jie, Mr. Jing Quanliang and Mr. Chen Tong, will be established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser to be appointed by the Company. In this connection, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. An announcement will be made by the Company upon the appointment of the Independent Financial Adviser.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 5 October 2026 to Thursday, 8 October 2026 (both days inclusive).

A circular containing, among others, (i) the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Tuesday, 22 September 2026.

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Monday, 26 October 2026. Copies of the Prospectus Documents will also be made available on the websites of the Company (<http://www.litian.tv>) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL) will be made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL in printed form to the Qualifying Shareholders but will not despatch the PAL to the Non-Qualifying Shareholders.

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

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

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

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

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

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to provide the Company with greater flexibility to raise funds by the Rights Issue, the Board proposes to increase the authorised share capital of the Company from HK\$5,000,000 divided into 500,000,000 Shares of HK\$0.01 each to HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each by creating an additional 3,500,000,000 unissued Shares of HK\$0.01 each.

Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM. The Board believes that the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Board proposes to raise gross proceeds of up to approximately HK\$190 million (assuming full subscription under the Rights Issue) by way of issuing up to 2,000,000,000 Rights Shares assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.095 per Rights Share on the basis of four (4) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any). Further details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	: Four (4) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	: HK\$0.095 per Rights Share
Number of Shares in issue as at the date of this announcement	: 500,000,000 Shares
Maximum number of Rights Shares to be issued	: 2,000,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Approximate aggregate nominal value of the Rights Shares	: HK\$20,000,000 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	: 2,500,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	: Approximately HK\$0.094 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	: Approximately HK\$190 million
Maximum net proceeds to be raised from the Rights Issue after expenses	: Approximately HK\$188 million
Rights of excess application	: No rights of excess application

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares will be allotted and issued on or before completion of the Rights Issue, the 2,000,000,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 400% of the total issued share capital of the Company as at the date of this announcement; and (ii) 80% of the total issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the date of this announcement, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Subscription Price

The Subscription Price is HK\$0.095 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 22.13% to the closing price of HK\$0.122 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 22.76% to the average closing price of approximately HK\$0.123 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 22.76% to the average closing price of approximately HK\$0.123 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 5.57% to the theoretical ex-rights price of approximately HK\$0.1006 per Share based on the benchmarked price of HK\$0.123 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.122 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.123 per Share); and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 18.21% of the theoretical diluted price of approximately HK\$0.1006 per Share to the benchmarked price of approximately HK\$0.123 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.122 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.123 per Share).

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of the Rights Shares will be approximately HK\$0.094.

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

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section headed “Reason for and benefits of the Rights Issue and the use of proceeds” in this announcement; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Non-underwritten Basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares that remain unplaced under the Compensatory Arrangements will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code and the Company to ensure the compliance of the requirements of the sufficient public float be maintained upon the Completion in accordance to the note to Rule 7.19(5) and Rule 13.32B of the Listing Rules.

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

On 27 August 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best-effort basis, procure, by not later than 4:00 p.m. on Thursday, 26 November 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares that are not placed will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non-Qualifying Shareholders in Hong Kong Dollars only, and the Company will retain individual amounts of less than HK\$100 for its benefit.

The principal terms of the Placing Agreement are summarised below.

Date:	27 August 2026
Issuer:	The Company
Placing Agent:	As at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Period:	The period from Thursday, 19 November 2026 to Thursday, 26 November 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Placing Price:	The placing price of the Unsubscribed Rights Shares shall be at least equal to 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 placement process.
Placing commission:	1% of the aggregate placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
Placees:	The placees shall be professional, institutional and other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company, its subsidiaries, or their respective associates.

Ranking of the Unsubscribed Rights Shares:	Unsubscribed Rights Shares and the NQS Unsold 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 the following conditions (the “Placing Conditions”) being fulfilled (or being waived by the Placing Agent in writing, if applicable): (i) 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; (ii) 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; (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events; (iv) the posting of copies of the Prospectus and the PAL to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders for information purpose only; and (v) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules. None of the above Placing Conditions may be waived by the parties to the Placing Agreement. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

The Company shall use reasonable endeavours to procure the satisfaction of the Placing Conditions on or before the Placing Long Stop Date, but if any of the Placing Conditions shall not be so satisfied or become incapable of satisfaction by the Placing Long Stop Date, all rights, obligations and liabilities of the Placing Agent and of the Company thereunder shall cease and determine and none of the parties thereto shall have any claim against the other in relation thereto, save in respect of any antecedent breach of the Placing Agreement.

Termination:

If, prior to the expiry of the Placing Period:

- (1) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing,

the Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to the expiry of the Placing Period, to terminate the Placing Agreement.

The Compensatory Arrangements comply with the requirements under Rule 7.21(1)(b) under which the No Action Shareholders may be compensated even if they do nothing (i.e., neither subscribe for Rights Shares nor sell their nil-paid rights), given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties. Any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. 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 terms to be normal commercial terms.

The Company believes the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interests of the Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given that the Company has put in place the Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, 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.

Conditions of the Rights Issue

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

- (i) the Increase in Authorised Share Capital having become effective;
- (ii) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;
- (iii) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and
- (vi) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. As at the date of this announcement, none of the above conditions has been fulfilled. If any of the conditions referred to above is not fulfilled by Friday, 27 November 2026, the Rights Issue will not proceed.

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

Basis of provisional allotments

The Rights Shares will be allotted on the basis of four (4) Rights Share for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance.

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

Status of the Rights Shares

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

Qualifying Shareholders

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

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 15 October 2026 (Hong Kong time).

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 action to be taken.

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

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

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 will be diluted.

The Overseas Shareholders

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

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

Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should note that they may or may not be able to participate in the Rights Issue, subject to the results of enquiries made by the Company pursuant to the notes to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities laws or other laws or regulations of any territory or jurisdiction. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

Non-Qualifying Shareholders (if any)

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

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent under the Placing Arrangement together with the Unsubscribed Rights Shares. The proceeds of the sale as described above in the case of being sold by the Placing Agent, less the Subscription Price and expenses, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders to their shareholdings held on the Record Date in Hong Kong Dollars together with the No Action Shareholders on the basis of all NQS Unsold Rights Shares and Unsubscribed Rights Shares. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

For the Nil Paid Rights that were sold as described above and the buyer of such Nil Paid Rights who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

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

Fractional Entitlements to the Rights Shares

On the basis of provisional allotment of four (4) Rights Share for every one (1) existing Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

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%.

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

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 3 December 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Thursday, 3 December 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid Rights Shares and the fully-paid Rights Shares will be traded in the board lot size of 10,000 Shares.

Stamp duty and other applicable fees

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

Irrevocable undertaking

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

Taxation

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

Rights Shares will be eligible for admission into CCASS

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

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

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

The Group is principally engaged in the production, distribution and licensing of broadcasting rights of drama series in the PRC.

The Group has been actively pursuing opportunities to diversify its revenue streams and expand its business scope. We derive our revenue mainly from the distribution and licensing of broadcasting rights of drama series which mainly comprised of self-produced drama series and outright-purchased drama series we purchased outright from third-party copyright owners/licensors. Looking ahead, we will constantly film our expected self-produced drama series and expedite our distribution and licensing of broadcasting rights of existing self-produced drama series through traditional TV channels as well as online video streaming platforms. In addition, we will work closely with the third-party copyright owners/licensors to obtain the copyrights of additional

outright purchased drama series of different genres to cater to the different preferences of our customers. These production and acquisition, coupled with the distribution and marketing costs arising therefrom, will require the Group to have adequate and flexible funding capability and resources to maintain and continue to grow its business operation, and seize valuable business opportunities in a timely fashion. It is expected that the Company's funding needs include payment for movie and drama series planned for production in 2026 and 2027, payment of existing debts and trade and other payables and general working capital purpose.

The Company intends to settle (i) the trade and other payables to three suppliers of the Company in the sum of RMB75,544,476.48, which is already overdue, as soon as the proceeds from the Rights Issue is available, and (ii) other loans to three creditors in the sum of HK\$8,697,500.00, which is repayable within one year. Set out below is the breakdown of such payables and loan.

	Supplier/Creditors	Amount payable	Maturity Date
1	Supplier A	RMB38,015,188.68	Overdue
2	Supplier B	RMB15,529,287.80	Overdue
3	Supplier C	RMB22,000,000.00	Overdue
4	Creditor D	HKD6,660,000.00	31 December 2026
5	Creditor E	HKD1,737,500.00	31 December 2026
6	Creditor F	HKD300,000.00	31 December 2026

For development and production of movie and drama series, the net proceeds will be applied to the planning and production of approximately 300 short drama projects, each with a budgeted cost of approximately RMB200,000, representing an aggregate investment of approximately RMB60,000,000. Planning activities and production are scheduled to begin in the fourth quarter of 2026 and releases targeted for completion by the second quarter of 2027.

For general working capital purpose, the net proceeds will be utilized to cover operating and development expenses up to June 2027, specifically including: (i) salaries in the aggregate amount of approximately RMB10,000,000 to support personnel and management functions; (ii) professional fees in the aggregate amount of approximately RMB5,000,000 to engage external advisors, consultants, and service providers; and (iii) promotion and marketing expenses in the aggregate amount of approximately RMB18,000,000 to strengthen market visibility and audience engagement.

The Company will prioritize repayment of outstanding indebtedness and trade and other payables in case the net proceeds to be raised from the Rights Issue is insufficient to fully cover all of the above utilization plans.

Further, as of 31 December 2026, the Group had net current liabilities of RMB528,097,000, and the Group had cash at bank and on hand of approximately RMB3.68 million. In addition, the Group had total bank and other loans of approximately RMB151.2 million as of 31 December 2025. As of 31 December 2025, the Group had bank loans of RMB1.2 million. In addition, the Group had loans from third party non-executive producers amounted to approximately RMB138.9 million as of 31 December 2025 with fixed repayment terms and interest at a rate of 15% per annum. The Group's current ratio stood at approximately 0.2 times as of 31 December 2025.

Current ratio equals our current assets divided by current liabilities. The Group's gearing ratio was approximately 28.7% as of 31 December 2025. As such, the Group is in need for reducing its debt position and enhancing its financial position.

Despite the net proceed of HK\$24.33 million from the previous placing exercise conducted in 2026, as of the Latest Practicable Date, the net current liabilities situation of the Group remains, therefore the Rights Issue would help equip the Group with the financial capability to improve the liquidity of the Group. The Directors consider that the Rights Issue represents a good opportunity for the Company to raise additional funds for the business operations of the Group and will strength the Group's financial position, enlarge the Company's shareholder base, which may in turn enhance the liquidity of the Shares owing to an increasing number of market participants, and provide capital to meet any financial obligations the Group may require without incurring the interest expenses involved with debt fund raising.

Use of proceeds

Assuming there will be no change in the total number of issued Shares from the date of this announcement up to and including the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK\$188 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately 50% (or approximately HK\$95.0 million), for repaying existing debts and trade payable of the Group;
- (ii) approximately 30% (or approximately HK\$57.0 million) for the development of the Company's present business including the development and production of drama series; and
- (iii) approximately 20.0% (or approximately HK\$38.0 million) for enhancing the general working capital of the Group.

In the event that the proceeds raised are less than the above stated amount, the Company will reduce the quantity of short drama projects to be produced. General working capital will be applied over a shorter period, with priority given to the repayment of outstanding indebtedness and trade payable to strengthen the balance sheet and ensure financial stability.

Other fund-raising alternatives

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

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

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

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

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

Based on the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Completion date	Fund raising	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
10 April 2026	22 April 2026	Placing of new Shares under general mandate	HK\$10.33 million	General working capital use	Fully utilized as intended
14 January 2026	4 February 2026	Placing of new Shares under general mandate	HK\$14.0 million	Applied for the payment for production costs of drama series	Fully utilized as intended

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the number of Shares in issue from the date of this announcement and up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	At the date of this announcement		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective entitlements to the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Shareholders have taken up any of their entitlement to Rights Shares with all the Placing Shares placed to Independent Third Parties under the Placing		Immediately after completion of the Rights Issue assuming none of the Shareholders have taken up any of their entitlement to Rights Shares and none of the Placing Shares placed to the Independent Third Parties under the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Marshal Investment Co. Ltd.	64,380,501	12.87	321,902,505	12.87	64,380,501	2.58	64,380,501	12.87
	(Note 1)							
Public Shareholders	435,619,499	87.13	2,178,097,495	87.13	435,619,499	17.42	435,619,499	87.13
Placees	–	–	–	–	2,000,000,000	80.00	–	–
Total	500,000,000	100.00	2,500,000,000	100.00	2,500,000,000	100.00	500,000,000	100.00

Notes:

- Ms. Tian Tian is the sole shareholder of Marshal Investment Co., Ltd.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the existing Shares are traded on the Stock Exchange in the board lot size of 1,000 Shares. The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 1,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Friday, 9 October 2026.

Based on the theoretical ex-rights price of HK\$0.1006 per Share (calculated based on the benchmarked price of HK\$0.123 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.122 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.123 per Share), the market value of each existing board lot of 1,000 Shares is HK\$100.6 and the estimated market value of each proposed new board lot of 10,000 Shares would be HK\$1,006.

The Change in Board Lot Size will not result in change in the relative right of the Shareholders. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

Arrangement on odd lot trading and matching services

In order to alleviate the difficulties of the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Further details of the odd lot arrangement will be set out in the circular of the Company.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement. All existing share certificates in board lot of 1,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of the existing share certificates in board lot of 1,000 Shares to new share certificate in board lot of 10,000 Shares is necessary.

Reasons for the Change in Board Lot Size

According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” (the “**Guide**”) issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in June 2026, (i) any trading price less than HK\$0.1 will be considered as trading at extremities; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$1,000.

In view of the fact that the closing price of the Shares as quoted on the Stock Exchange as at the date of this announcement was HK\$0.122 per Share, the value of each existing board lot of 1,000 Shares was HK\$122, which was less than HK\$1,000.

Also, with effect from 2 July 2026, according to the Guide, listed issuers should select a board lot unit from the specified set of eight options: 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s).

Based on the above and with the view to complying with the trading requirements under the Listing Rules, the Board resolved to propose the Change in Board Lot Size, resulting in (i) HK\$1,220 per board lot of 10,000 Shares based on the closing price of HK\$0.122 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) HK\$1,006 per board lot of 10,000 Shares based on the theoretical ex-rights price of HK\$0.1006 per Share (calculated based on the bench marked price of HK\$0.123 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.122 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.123 per Share).

Further, the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

In addition, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing the Shares from a broader range of institutional and professional investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

Accordingly, the Board believes that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

EXPECTED TIMETABLE FOR THE INCREASE IN AUTHORISED SHARE CAPITAL AND THE RIGHTS ISSUE

Set out below is the expected timetable for the Increase in Authorised Share Capital and the Rights Issue, which is subject to the results of the EGM and has been prepared on the assumption that all the conditions to the Increase in Authorised Share Capital and the Placing Agreement will be fulfilled or otherwise waived and is therefore for indicative purpose 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 announcement refer to the Hong Kong local times and dates:

Event	Timeline
Despatch of the circular, proxy form and notice of the EGM.	on or before Tuesday, 22 September 2026
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 2 October 2026
Closure of register of members of the Company to determine the entitlements of the Shareholders to attend and vote at the EGM.	Monday, 5 October 2026 to Thursday, 8 October 2026 (both days inclusive)
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Tuesday, 6 October 2026
Record date for attending and voting at the EGM	Thursday, 8 October 2026
Expected time and date of the EGM	11:00 a.m. on Thursday, 8 October 2026
Announcement of poll results of the EGM	Thursday, 8 October 2026
Effective Date of the Increase in Authorised Share Capital	Thursday, 8 October 2026 <i>(the Increase in Authorised Share Capital will become effective at the time when the relevant ordinary resolution is passed by the Shareholders at the EGM)</i>

Register of members of the Company re-opens	Friday, 9 October 2026
Effective date of change in board lot size from 1,000 Shares to 10,000 Shares	Friday, 9 October 2026
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 9 October 2026
The following events are conditional on the fulfilment of the conditions for the implementation of the Increase in Authorised Share Capital and/or the Rights Issue and therefore the dates are tentative:	
Last day of dealings in Shares on a cum-rights basis of the Rights Issue.	Tuesday, 13 October 2026
First day of dealings in Shares on an ex-rights basis of the Rights Issue.	Wednesday, 14 October 2026
Latest time for lodging transfer documents of Shares to qualify for the Rights Issue	4:30 p.m. on Thursday, 15 October 2026
Closure of register of members of the Company to determine the entitlements to the Rights Issue	Friday, 16 October 2026 to Friday, 23 October 2026 (both days inclusive)
Record Date for determining entitlements to the Rights Issue	Friday, 23 October 2026
Re-opening of the register of members of the Company	Monday, 26 October 2026
Expected despatch date of the Prospectus Documents (including the Prospectus and the PAL(s); and in the case of the Non-Qualifying Shareholders, the Prospectus only).	Monday, 26 October 2026
First day of dealings in nil-paid Rights Shares in board lot size of 10,000 Rights Shares	Wednesday, 28 October 2026
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Friday, 30 October 2026
Latest time for splitting of the PAL(s)	4:30 p.m. on Friday, 30 October 2026
Last day of dealings in nil-paid Rights Shares in board lot size of 10,000 Rights Shares	Wednesday, 4 November 2026

Latest time to lodge transfer documents of nil-paid
Rights Shares in order to qualify for the payment of Net Gain4:00 p.m. on
Monday, 9 November 2026

Latest Time for Acceptance of, and payment for,
the Rights Shares and application for and payment
for the Rights Shares.....4:00 p.m. on
Monday, 9 November 2026

Announcement of the number of the Unsubscribed
Rights Shares and the NQS Unsold Rights Shares
subject to the Compensatory ArrangementsWednesday, 18 November 2026

Commencement of the placing of the Unsubscribed
Rights Shares and the NQS Unsold Rights Shares
by the Placing Agent Thursday, 19 November 2026

Latest Placing Time/Latest Placing Date for the placing
of the Unsubscribed Rights Shares and the NQS Unsold
Rights Shares by the Placing Agent4:00 p.m. on
Thursday, 26 November 2026

Placing Long Stop Date/Latest time for the Rights Issue
and placing of the Unsubscribed Rights Shares and
NQS Unsold Rights Shares to become unconditional.....4:00 p.m. on
Friday, 27 November 2026

Announcement of the results of Rights Issue
(including the results of the placing of the Unsubscribed
Rights Shares and the NQS Unsold Rights Shares
by the Placing Agent and the amount of the Net Gain per
the Unsubscribed Rights Share and the NQS Unsold
Rights Share under the Compensatory Arrangements)Wednesday, 2 December 2026

Despatch of share certificates for fully-paid Rights Shares Thursday, 3 December 2026

Refund cheques, if any, to be despatched
(if the Rights Issue is terminated) Thursday, 3 December 2026

Expected commencement of dealings in fully-paid
Rights Shares in board lot size of 10,000 Rights Shares.....9:00 a.m. on
Friday, 4 December 2026

Payment of the Net Gain (if any) to the relevant
No Action Shareholders (if any) Thursday, 17 December 2026

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

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

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

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

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

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the paragraph headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 5 October 2026 to Thursday, 8 October 2026 (both dates inclusive) for determining the Shareholders’ entitlements for attending and voting at the EGM.

The register of members of the Company will be closed from Friday, 16 October 2026 to Friday, 23 October 2026 (both dates inclusive) for determining the entitlements to the Rights Issue.

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

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 by more than 50% within a 12 month period immediately preceding the date of this announcement, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the Controlling Shareholders and their associates or, where there are no Controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, the Company has no Controlling Shareholder, accordingly, the Directors (excluding independent non-executive Directors) and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules. As at the date of this announcement, none of the Directors and their respective associates is interested in any Shares.

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

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liang Jie, Mr. Jing Quanliang and Mr. Chen Tong, will be established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser to be appointed by the Company. In this connection, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. An announcement will be made by the Company upon the appointment of the Independent Financial Adviser.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 5 October 2026 to Thursday, 8 October 2026 (both days inclusive).

A circular containing, among others, (i) the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Tuesday, 22 September 2026.

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Monday, 26 October 2026. Copies of the Prospectus Documents will also be made available on the websites of the Company (<http://www.litian.tv>) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL) will be made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL in printed form to the Qualifying Shareholders but will not despatch the PAL to the Non-Qualifying Shareholders.

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

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

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

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 1,000 Shares to 10,000 Shares
“Company”	Litian Pictures Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (Stock Code: 9958)

“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Completion”	completion of the Rights Issue and the Placing
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Increase in Authorised Share Capital and the Rights Issue and the transactions contemplated respectively thereunder
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$5,000,000 divided into 500,000,000 Shares of HK\$0.01 each to HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each by creating an additional 3,500,000,000 unissued Shares of HK\$0.01 each
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, to be established to make recommendations to the Independent Shareholders in respect of the terms of the Rights Issue
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder

“Independent Shareholder(s)”	any Shareholder(s) who is(are) not required to abstain from voting on the resolution relating to the Rights Issue at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Day for Transfer”	Thursday, 15 October 2026, or such other date as the Company may determine, being the last date for lodging transfer of Shares prior to the closure of the register of members of the Company in order to qualify for the Rights Issue
“Last Trading Day”	27 August 2026, the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 9 November 2026, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Compensatory Arrangements
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong

“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	DaoKou Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 27 August 2026 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Compensatory Arrangements, pursuant to which the Placing Agent has agreed to procure placees on a best effort basis to subscribe for the Unsubscribed Rights Shares
“Placing Conditions”	condition(s) precedent to the completion of the Placing as set out in the Placing Agreement
“Placing Long Stop Date”	Friday, 27 November 2026, or such other date as may be agreed between the Company and the Placing Agent as the latest date for placing, and payment for, the Unsubscribed Rights Shares under the Placing Agreement
“Placing Period”	the period from Thursday, 19 November 2026 to Thursday, 26 November 2026 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
“Placing Price”	the placing price of the Unsubscribed Rights Shares shall be at least equal to 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 placement process
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issues
“Prospectus Documents”	the Prospectus, the PAL
“Prospectus Posting Date”	Monday, 26 October 2026, or such other date as the Company may determine, being the date on which the Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“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”	Friday, 23 October 2026 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to participate in the Rights Issue will be determined
“Registrar”	Tricor Investor Services Ltd.
“Rights Issue”	The proposed issue of the Rights Shares by way of rights on the basis of four (4) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 2,000,000,000 Shares (assuming no change in the number of issued Shares on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.095 per Rights Share under the Rights Issue
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“Unsubscribed Rights Share(s)”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Litian Pictures Holdings Limited
Xie Taoquan
Chairman

Hong Kong, 27 August 2026

As at the date of this announcement, the Board comprises Mr. Xie Taoquan, Ms. Yu Ping and Ms. Huang Meiyuan as executive directors, and Mr. Liang Jie, Mr. Jing Quanliang and Mr. Chen Tong as independent non-executive directors.