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Luxshare Precision Limited

立訊精密有限公司

(Incorporated in Hong Kong with limited liability)

KFM KINGDOM HOLDINGS LIMITED

KFM 金德控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3816)

JOINT ANNOUNCEMENT ON
(1) PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATES (INCLUDING CONNECTED
TRANSACTION – LUXSHARE SUBSCRIPTION AGREEMENT);
(2) ACQUISITION OF SALE SHARES
BY LUXSHARE HONG KONG;
(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
ASIAN CAPITAL FOR AND ON BEHALF OF LUXSHARE HONG KONG
TO ACQUIRE ALL THE ISSUED SHARES IN
KFM KINGDOM HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
LUXSHARE HONG KONG AND
PARTIES ACTING IN CONCERT WITH IT);
AND
(4) RESUMPTION OF TRADING

Joint financial advisers to the Offeror



Financial adviser to the Company
and KIG Real Estate



PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATES (INCLUDING CONNECTED TRANSACTION – LUXSHARE SUBSCRIPTION AGREEMENT)

On 13 September 2026, the Company entered into the Subscription Agreements with each of the Subscribers (i.e. Luxshare Hong Kong, Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E) pursuant to which the Company has conditionally agreed to issue, and each of the Subscribers has, in aggregate, conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$360,000,000.

Pursuant to each of the Subscription Agreements, the Company has conditionally agreed to issue, and each of the Subscribers has conditionally agreed to subscribe for the Convertible Bonds in the following manner:

- (a) with regards to Luxshare Hong Kong, the principal amount of HK\$252,000,000 on the CB Completion Date;
- (b) with regards to Subscriber A, the principal amount of HK\$18,000,000 on the CB Completion Date;
- (c) with regards to Subscriber B, the principal amount of HK\$18,000,000 on the CB Completion Date;
- (d) with regards to Subscriber C, the principal amount of HK\$18,000,000 on the CB Completion Date;
- (e) with regards to Subscriber D, the principal amount of HK\$18,000,000 on the CB Completion Date; and
- (f) with regards to Subscriber E, the principal amount of HK\$36,000,000 on the CB Completion Date.

The subscription of the Convertible Bonds by each of the Subscribers is conditional upon the conditions precedent to the relevant Subscription Agreement being fulfilled (or waived, if applicable) at or before 5:00 p.m. on the CB Long Stop Date.

Upon exercise of the Conversion Rights in full at the Conversion Price of HK\$2.00 per Conversion Share, a total of 180,000,000 Conversion Shares will be issued, representing:

- (i) 30% of the issued share capital of the Company as at the date of this joint announcement; and

- (ii) approximately 23.08% of the issued share capital of the Company as enlarged by the issue of Conversion Shares.

The Group expects to utilise (i) approximately 25% of the net proceeds from the issue of the Convertible Bonds to fund and scale up manufacturing investments in Suzhou, the PRC and Malaysia; (ii) approximately 50% of the net proceeds from the issue of the Convertible Bonds for general working capital purposes; and (iii) approximately 25% of the net proceeds from the issue of the Convertible Bonds for repayment of bank loans.

Implications under the Listing Rules

As the Sale and Purchase Agreement is conditional upon, among other things, completion of the Luxshare Subscription Agreement, KIG Real Estate, being the controlling shareholder of the Company as at the date of this joint announcement, has a material interest in the Luxshare Subscription Agreement. Further, notwithstanding that Luxshare Hong Kong is an Independent Third Party as at the date of this joint announcement, upon SPA Completion, Luxshare Hong Kong will become a controlling shareholder of the Company holding 342,000,000 Shares (representing 57.0% of the total issued share capital of the Company as at the date of this joint announcement). Accordingly, Luxshare Hong Kong will be a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the issue of the Convertible Bonds to Luxshare Hong Kong constitutes a connected transaction for the Company subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

An EGM will be convened and held for the Shareholders (or in the case of the Luxshare Subscription Agreement, the Independent Shareholders) to consider and, if thought fit, pass ordinary resolutions(s) to approve, among other things, the Subscription Agreements and the transactions contemplated thereunder, including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares and the grant of the Specific Mandates. As the Sale and Purchase Agreement is conditional upon, among other things, completion of the Luxshare Subscription Agreement, KIG Real Estate has a material interest in the Luxshare Subscription Agreement. Accordingly, KIG Real Estate and its respective associates are required to abstain from voting at the EGM on the resolution(s) approving the same. In addition, as the terms of the Other Subscription Agreements are substantially similar to that of the Luxshare Subscription Agreement and were negotiated in conjunction with the Luxshare Subscription Agreement, as a matter of prudence, KIG Real Estate and its respective associates will also abstain from voting at the EGM on the resolution(s) approving the same.

Despatch of the circular

A circular containing, among other things, (i) further details of the Subscription Agreements and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Luxshare Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Luxshare Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice of the EGM, will be despatched to the Shareholders as soon as practicable. It is estimated that the circular will be despatched to the Shareholders on or before 23 October 2026.

ACQUISITION OF SALE SHARES BY LUXSHARE HONG KONG

On 13 September 2026, KIG Real Estate (as vendor), Mr. Peter Sun (as guarantor) and Luxshare Hong Kong (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which KIG Real Estate has conditionally agreed to sell, and Luxshare Hong Kong has conditionally agreed to purchase, 342,000,000 Shares, representing 57.0% of the issued Shares as at the date of this joint announcement, at an aggregate consideration of HK\$684,000,000, representing HK\$2.00 per Sale Share.

SPA Completion is conditional upon the satisfaction (or, if applicable, the waiver) of the conditions precedent to the Sale and Purchase Agreement at or before 12:00 noon (Hong Kong time) on the SPA Long Stop Date.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, Luxshare Hong Kong and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon SPA Completion, Luxshare Hong Kong and parties acting in concert with it will be interested in 342,000,000 Shares, representing 57.0% of the issued Shares. Pursuant to Rule 26.1 of the Takeovers Code, Luxshare Hong Kong will be required to make an unconditional mandatory general offer in cash for all the issued Shares and other securities issued by the Company (other than those already owned or agreed to be acquired by Luxshare Hong Kong and parties acting in concert with it).

Subject to SPA Completion, Asian Capital will, for and on behalf of Luxshare Hong Kong, make the Offer in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share held. HK\$2.00 in cash

The Offer Price of HK\$2.00 per Offer Share is equal to the consideration of HK\$2.00 per Sale Share under the Sale and Purchase Agreement and the Conversion Price of HK\$2.00 per Conversion Share under the Luxshare Subscription Agreement.

As at the date of this joint announcement, the Company has 600,000,000 Shares in issue.

Upon CB Completion, the Subscribers will, in aggregate, hold Convertibles Bonds of an aggregate principal amount of HK\$360,000,000 which carry rights to convert into 180,000,000 new Conversion Shares in full based on the initial Conversion Price of HK\$2.00 per Conversion Share.

Pursuant to Rule 13 of the Takeovers Code, Luxshare Hong Kong is required to make an unconditional mandatory general offer in cash for all the outstanding Convertible Bonds upon CB Completion (other than those already owned or agreed to be acquired by Luxshare Hong Kong and parties acting in concert with it).

Rule 13.1 of the Takeovers Code requires that the Offeror must make an appropriate offer or proposal to the holders of convertible securities to ensure their interests are safeguarded.

However, since each of the Subscribers will enter into the Irrevocable Undertaking upon CB Completion whereby each of them will irrevocably undertake with and confirm to the Company, among others, that each of them will not accept or agree to accept the offer for any Convertible Bonds directly or indirectly held, owned, controlled or directed by it, or exercise any Conversion Right attaching to the Convertible Bonds during the Offer Period, Luxshare Hong Kong will make a formal application to the Executive for a waiver from the requirement under Rule 13 of the Takeovers Code to make an offer to the holders of the Convertible Bonds. Subject to the Executive granting such waiver, no offer will be made by Luxshare Hong Kong for any Convertible Bonds in issue upon CB Completion.

Save for the Convertible Bonds to be held by the Subscribers upon CB Completion, the Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the date of this joint announcement.

The Offer will be unconditional in all respects when it is made. The Offer will extend to all Shares in issue other than those Shares held by Luxshare Hong Kong and parties acting in concert with it on the date on which the Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, save for (i) the KIG Undertaking; and (ii) the Irrevocable Undertakings to be made by the Subscribers, none of Luxshare Hong Kong and parties acting in concert with it has received any indication or irrevocable commitment from any Shareholder that he/she/it will accept or reject the Offer.

The Independent Board Committee and the Independent Financial Adviser

Pursuant to Rule 2.8 of the Takeovers Code, members of an independent board committee should comprise all non-executive directors who have no direct or indirect interest in any offer. Accordingly, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wan Kam To, Mr. Chan Ming Sun Jonathan and Ms. Cheng Yuan Ting Cana, has been established to advise the Offer Shareholders on the terms of the Offer.

The Independent Financial Adviser will be appointed by the Independent Board Committee to advise the Independent Board Committee and the Offer Shareholders on the terms of the Offer. A further announcement will be made by the Company upon the appointment of the Independent Financial Adviser.

The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee to the Offer Shareholders in respect of the Offer, in particular, as to whether the Offer is, or is not, fair and reasonable and as to whether it should or should not be accepted if it is made, will be included in the Composite Document.

Despatch of the Composite Document

If the Offer materialises, it is the intention of Luxshare Hong Kong and the Company to combine the offer document and the offeree board circular in the Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer accompanied by the acceptance and transfer forms); (ii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders in relation to the Offer, is required to be despatched to the Shareholders no later than 21 days of the date of this joint announcement.

However, as there are pre-conditions to the making of the Offer (i.e. SPA Completion), an application will be made by Luxshare Hong Kong for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to no later than seven (7) days of the fulfilment of all pre-conditions (i.e. SPA Completion).

Further announcement(s) shall be made as and when necessary in this regard.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 14 September 2026 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 October 2026.

WARNING

AS THE SUBSCRIPTIONS ARE SUBJECT TO THE FULFILMENT OR WAIVER (IF APPLICABLE) OF CERTAIN CONDITIONS PRECEDENT, THE SUBSCRIPTIONS MAY OR MAY NOT PROCEED.

AS THE OFFER WILL ONLY BE MADE AFTER SPA COMPLETION, WHICH IS SUBJECT TO A NUMBER OF CONDITIONS, INCLUDING COMPLETION OF THE LUXSHARE SUBSCRIPTION AGREEMENT, THE OFFER MAY OR MAY NOT PROCEED AND IS THEREFORE A POSSIBILITY ONLY.

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD NOTE THAT THE INDEPENDENT BOARD COMMITTEE HAS YET TO CONSIDER AND EVALUATE THE OFFER. THE DIRECTORS MAKE NO RECOMMENDATION AS TO THE FAIRNESS OR REASONABLENESS OF THE OFFER OR AS TO THE ACCEPTANCE OF THE OFFER IN THIS JOINT ANNOUNCEMENT. SHAREHOLDERS SHOULD READ THE COMPOSITE DOCUMENT, INCLUDING THE RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE IN RESPECT OF THE OFFER AND A LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER, BEFORE FORMING A VIEW ON THE OFFER.

SHAREHOLDERS AND POTENTIAL INVESTORS ARE (I) REMINDED TO MONITOR THE ANNOUNCEMENT(S) TO BE MADE BY THE COMPANY OR JOINTLY BY LUXSHARE HONG KONG AND THE COMPANY IN RESPECT OF THE PROGRESS OF THE OFFER; AND (II) ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. IF SHAREHOLDERS AND POTENTIAL INVESTORS ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

This joint announcement is made by the Company and Luxshare Hong Kong pursuant to the Takeovers Code and (in the case of the Company) pursuant to Rule 13.10 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

Reference is made to the announcement of the Company dated 4 September 2026 in relation to, among others, the unusual movements in the share price and trading volume of the Shares on 4 September 2026. The Board announces that such announcement constituted an announcement to be made by the Company pursuant to Rule 3.7 of the Takeovers Code. Accordingly, the Offer Period commenced from 4 September 2026.

A. PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATES (INCLUDING CONNECTED TRANSACTION – LUXSHARE SUBSCRIPTION AGREEMENT)

On 13 September 2026, the Company entered into the Subscription Agreements with each of the Subscribers (i.e. Luxshare Hong Kong, Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E) pursuant to which the Company has conditionally agreed to issue, and each of the Subscribers has, in aggregate, conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$360,000,000.

A summary of the principal terms of the Subscription Agreements is set out below. For the avoidance of doubt, save for the principal amount under each of the Subscription Agreements, the principal terms of each of the Subscription Agreements are substantially identical in all material respects. The Subscription Agreements are not inter-conditional with each other.

Notwithstanding that each of Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E was introduced to the Company by Luxshare Hong Kong and the terms of the Subscription Agreements were negotiated in conjunction with one another, to the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, save for the Sale Shares conditionally agreed to be acquired by Luxshare Hong Kong pursuant to the Sale and Purchase Agreement, each of the Subscribers and their respective ultimate beneficial owners are Independent Third Parties, and each of the Subscribers (and their respective ultimate beneficial owners) are independent of each other and there is no relationship between each of the Subscribers (and their respective ultimate beneficial owners) and the Company and its connected persons as at the date of the relevant Subscription Agreement and as at the date of this joint announcement. As of the date of this joint announcement, save for the Sale Shares conditionally agreed to be acquired by Luxshare Hong Kong pursuant to the Sale and Purchase Agreement, none of the Subscribers or their ultimate beneficial owners hold, own, control or has direction over, any Shares of the Company. Notwithstanding the above, subsequent to SPA Completion, Luxshare Hong Kong will become a controlling shareholder of the Company. Accordingly, Luxshare Hong Kong will be a connected person of the Company.

The Subscription

Pursuant to each of the Subscription Agreements, the Company has conditionally agreed to issue, and each of the Subscribers has conditionally agreed to subscribe for the Convertible Bonds in the following manner:

- (a) with regards to Luxshare Hong Kong, the principal amount of HK\$252,000,000 on the CB Completion Date;
- (b) with regards to Subscriber A, the principal amount of HK\$18,000,000 on the CB Completion Date;
- (c) with regards to Subscriber B, the principal amount of HK\$18,000,000 on the CB Completion Date;
- (d) with regards to Subscriber C, the principal amount of HK\$18,000,000 on the CB Completion Date;
- (e) with regards to Subscriber D, the principal amount of HK\$18,000,000 on the CB Completion Date; and
- (f) with regards to Subscriber E, the principal amount of HK\$36,000,000 on the CB Completion Date.

Conditions precedent

The subscription of the Convertible Bonds by each of the Subscribers is conditional upon the following conditions being fulfilled (or waived, if applicable) at or before 5:00 p.m. on the CB Long Stop Date:

- (1) the obtaining of all necessary consents and approvals in respect of the relevant Subscription Agreement and the transactions contemplated thereunder (including but not limited to, if necessary, the approval by the Shareholders at a general meeting to approve the relevant Subscription Agreement and the transactions contemplated hereunder, including granting of the Specific Mandates to the Directors to allot, issue and deal with up to an aggregate of 180,000,000 Conversion Shares, representing approximately 30% of the issued Shares as at the date of the Subscription Agreements and as at the date of this joint announcement);
- (2) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Conversion Shares;
- (3) the Company having performed all of its obligations under the relevant Subscription Agreement on or before CB Completion and none of the warranties set out in the relevant Subscription Agreement having been breached by the Company in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (4) all necessary consents and approvals required to be obtained on the part of the Company in respect of the relevant Subscription Agreement and the transactions contemplated hereunder, including the Board approving and authorising the execution and completion of the relevant Subscription Agreement and the related instruments, the creation and issue of the Convertible Bonds and the allotment and issue of the Conversion Shares; and
- (5) all necessary consents and approvals required to be obtained on the part of each of the Subscribers in respect of the relevant Subscription Agreement and the transactions contemplated thereunder.

Each of the Subscribers may, at its discretion and upon such terms as it thinks fit, waive compliance with the condition precedent (3) set out above. If any of the conditions precedent are not fulfilled (or waived, if applicable) on or before the CB Long Stop Date, the relevant Subscription Agreement shall terminate and the respective obligations of the parties under the relevant Subscription Agreement shall cease and terminate and none of the Company or the relevant Subscriber shall have any claim against one another.

Each of the Subscription Agreements may be separately completed upon fulfilment of the relevant conditions precedent.

As at the date of this joint announcement, save for the Shareholders' approval to be obtained by the Company at the EGM, the parties to the Subscription Agreements are not aware of any necessary consent or approval required to be obtained for the implementation of the Subscription Agreements and the transactions contemplated thereunder.

As at the date of this joint announcement, none of the conditions precedent set out above has been fulfilled or waived.

Irrevocable Undertakings

Pursuant to each of the Subscription Agreements, upon CB Completion, each of the Subscribers shall enter into an Irrevocable Undertaking pursuant to which, each Subscriber shall irrevocably undertake with and confirm to the Company that from the date of the relevant Irrevocable Undertaking until (i) the lapse of the Sale and Purchase Agreement; and (ii) the close (or lapse) of the Offer (whichever is earlier), it will not, and will procure that its associates and parties acting in concert with it (within the meaning of the Takeovers Code) will not:

- (a) accept or agree to accept the Offer for any Convertible Bonds directly or indirectly held, owned, controlled or directed by it;
- (b) exercise any Conversion Right attaching to the Convertible Bonds during the Offer Period; or
- (c) sell, transfer, charge, pledge, encumber or otherwise dispose of any Convertible Bonds.

CB Completion

CB Completion will take place on the CB Completion Date after the fulfillment or waiver (as the case may be) of the conditions precedent as set out in the relevant Subscription Agreement.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between the Company and each of the Subscribers and are summarised as follows:

Issuer	:	The Company
Principal amount	:	Luxshare Subscription Agreement HK\$252,000,000
		Subscription Agreement A HK\$18,000,000
		Subscription Agreement B HK\$18,000,000
		Subscription Agreement C HK\$18,000,000
		Subscription Agreement D HK\$18,000,000
		Subscription Agreement E HK\$36,000,000
Issue price	:	100% of the principal amount of the Convertible Bonds
Interest rate	:	Nil
Maturity date	:	The date falling three years after the CB Issue Date or, if that is not a CB Business Day, the first CB Business Day thereafter
Status	:	The Convertible Bonds will rank pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company.
Conversion Rights	:	Subject as provided in the terms of the Convertible Bonds, the Convertible Bonds are convertible in whole or in part into new Shares any time from the CB Issue Date up to 4:00 p.m. on the Maturity Date, at the Conversion Price, subject to adjustment in accordance with the terms of the Convertible Bonds. Any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 and no fraction of a Share shall be issued on conversion.

If the issue of Conversion Shares following the exercise by a Bondholder of the Conversion Rights relating to any of the Convertible Bonds held by such Bondholder would result in:

- (a) a mandatory general offer being triggered under the Takeovers Code; or
- (b) the Company not meeting the Public Float Requirement immediately after the conversion,

then the number of Conversion Shares to be issued pursuant to such conversion shall be limited to the maximum number of Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement or mandatory general offer being triggered under the Takeovers Code (as the case may be) and the balance of the Conversion Rights which the Bondholder sought to convert shall be suspended until such time when the Company is able to issue additional Shares in satisfaction of the exercise of the said balance of Conversion Rights and at the same time comply with the Public Float Requirement or without triggering a mandatory general offer under the Takeovers Code (as the case may be).

- Conversion period** : The Convertible Bonds are convertible in whole or in part into new Shares any time from the CB Issue Date up to 4:00 p.m. on the Maturity Date.
- Conversion price** : The Conversion Price per Share shall be HK\$2.00 subject to adjustment provisions as summarised below.
- Comparison of Conversion Price** : The Conversion Price of HK\$2.00 per Share represents:
- (a) a discount of approximately 55.9% to the closing price of the Shares of HK\$4.540 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a discount of approximately 51.1% to the average closing price of the Shares of approximately HK\$4.089 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 44.4% to the average closing price of the Shares of approximately HK\$3.598 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 75.3% over the Company's consolidated net asset value per Share of approximately HK\$1.141 as at 31 March 2026, calculated with reference to the Company's audited net asset value of approximately HK\$684.8 million as at 31 March 2026 and 600,000,000 Shares in issue as at the date of this joint announcement; and
- (e) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by a discount of approximately 12.9% of the theoretical diluted price of approximately HK\$3.954 per Share to the benchmarked price of HK\$4.54 per Share as defined under Rule 7.27B of the Listing Rules.

The Conversion Price was arrived at after arm's length negotiations between the Company and each of the Subscribers with reference to the prevailing market prices of the Shares as shown above.

Adjustments to the Conversion Price

: The Conversion Price shall be subject to adjustment upon the occurrence of the following events:

- (a) If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the revised nominal amount and dividing the result by the former nominal amount. Such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.

- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation. Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.
- (c) If and whenever the Company shall make any capital distribution to Shareholders (whether on a reduction of capital or otherwise) or shall grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, subject to certain exclusions, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such distribution or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the closing price per Share on the Stock Exchange on the business day immediately preceding the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) immediately preceding the date of the capital distribution or, as the case may be, of the grant; and

B is the fair market value on the date of such announcement or (as the case may require) the immediately preceding day, as determined in good faith by the Approved Professional Adviser, of the portion of the capital distribution or of such rights which is attributable to one Share.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the capital distribution or grant.

- (d) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price per new Share which is less than 80 per cent. of the market price at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the number of Shares in issue immediately before the date of such announcement;

- B is the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants being offered or granted and of the amount payable for the total number of new Shares being offered for subscription or comprised therein would purchase at such market price; and
- C is the number of Shares in issue on the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants being granted.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the record date for the relevant offer or grant.

- (e) (i) If and whenever the Company or any other company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares and the total Effective Consideration per Share initially receivable for such securities is less than 80 per cent. of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the number of Shares in issue immediately before the date of the issue of such securities;
- B is the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price; and

C is the number of Shares in issue immediately before the date of the issue of such securities plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or Conversion Price.

Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the business day immediately after the date of the announcement of the terms of such securities is announced.

(ii) If and whenever the rights of conversion or exchange or subscription attached to any such securities as mentioned in sub-paragraph (i) above are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 80 per cent. of the price which is the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at the market price at the date of the announcement of such proposal and of which the denominator is the number of Shares in issue immediately before the date of such modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by, such securities at the modified conversion or exchange rate or Conversion Price. Such adjustment shall become effective as at the date upon which such modification shall take effect.

- (f) If and whenever the Company shall issue wholly for cash any Shares (other than Shares issued to eligible participants, or their personal representatives, pursuant to a share option scheme) at a price per Share which is less than 80 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.
- (g) If and whenever the Company shall purchase any Shares or securities convertible into Shares or any rights to acquire Shares (other than on the Stock Exchange or any other stock exchange recognised for such purpose) and the Directors cancel such Shares, securities convertible into Shares or rights to acquire Shares, the Directors may if they consider it appropriate make an adjustment to the Conversion Price provided that the Directors shall have appointed an Approved Professional Adviser to consider whether, for any reason whatever as a result of such purchases, an adjustment should be made to the Conversion Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if the Approved Professional Adviser shall consider in its opinion that it is appropriate to make an adjustment to the Conversion Price, the Directors shall make an adjustment to the Conversion Price in such manner as the Approved Professional Adviser shall certify to be, in its opinion, appropriate. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the business day next preceding the date on which such purchases by the Company are made.

If any doubt shall arise as to the appropriate adjustment to the Conversion Price a certificate of the Approved Professional Adviser shall be conclusive and binding on all concern save in the case of manifest or proven error.

Conversion Shares to be issued under the Convertible Bonds : The number of Shares to be issued upon conversion of the Convertible Bonds shall be determined by dividing the principal amount of the relevant Convertible Bonds to be converted by the Conversion Price in effect on the relevant conversion date.

Upon exercise of the Conversion Rights in full at the Conversion Price of HK\$2.00 per Conversion Share, a total of 180,000,000 Conversion Shares will be issued, representing:

- (i) 30% of the issued share capital of the Company as at the date of this joint announcement; and
- (ii) approximately 23.08% of the issued share capital of the Company as enlarged by the issue of Conversion Shares.

Redemption upon maturity : Any Convertible Bond which remains outstanding by 4:00 p.m. (Hong Kong time) on the Maturity Date shall be redeemed by the Company at a redemption amount equal to the principal amount of the outstanding Convertible Bonds.

Redemption upon events of default : Upon the occurrence of an event of default as described below and at any time thereafter, each of the Bondholders may, unless such event of default has been waived in writing by it, by notice in writing (“**Default Redemption Notice**”) requires the Company to redeem the whole (but not part) of the outstanding principal amount of the Convertible Bonds at the redemption amount provided in the instrument constituting the Convertible Bonds whereupon such sum shall become due and payable in the manner provided in the instrument constituting the Convertible Bonds on the CB Business Day falling after the expiry of ten (10) days from the date of such Default Redemption Notice.

Voting rights : The Convertible Bonds shall not confer on the Bondholder(s) the right to vote at any general meetings of the Company.

Listing : No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

Transferability : Subject to compliance with the Listing Rules, the Convertible Bonds may be transferred in whole or in part, in integral multiples of HK\$1,000,000 (or such lesser amount as may represent the entire outstanding principal amount thereof), by a Bondholder to any person, save and except that the Convertible Bonds shall not be transferred to a connected person of the Company without the prior written consent of the Company. The Bondholder shall promptly notify the Company of any such transfer.

A transfer shall be effected by delivery of a certificate issued in the name of the Bondholder issued in respect of that Convertible Bond, with an instrument of transfer duly completed and signed by both the transferor and the transferee. No transfer of title to any Convertible Bond shall be effective unless and until such transfer is entered in the register of Bondholders.

Events of default : If, among others, any of the following events occurs, the holders of the Convertible Bonds may give notice to the Company that the Convertible Bonds are due and payable at their principal amount:

- (1) **Default:** a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the instrument constituting the Convertible Bond or in the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal and premium (if any) in respect of any of the Convertible Bonds) and such default continues for the period of 14 days following the service by any Bondholder on the Company of notice specifying details of such default and requiring such default to be remedied; or

- (2) **Breach of Subscription Agreement:** a material breach of any of the terms of the relevant Subscription Agreement, including a breach of any warranty therein which is not discovered until after the issue and delivery of the Convertible Bonds; or
- (3) **Dissolution of the Company and disposals:** a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an ordinary resolution of Bondholder(s); or
- (4) **Encumbrances:** an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company; or
- (5) **Insolvency or insolvency proceedings:** the Company becoming insolvent, or the Company having initiated or consented to, or the Company having received service of any applicable winding-up, composition or insolvency law or scheme of arrangement while insolvent and such proceedings not being discharged or stayed within a period of 120 days; or
- (6) **Distress etc.:** a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the assets or undertaking or property of the Company and is not discharged within seven days thereof; or
- (7) **Moratorium and expropriation:** a moratorium is agreed or declared in respect of any indebtedness of the Company or any governmental authority or agency seizes, compulsorily purchases, expropriates or nationalizes all or a substantial part of the assets of the Company; or

- (8) **Trading suspension and delisting:** if trading of the Shares are suspended by the Stock Exchange for a period of 180 consecutive trading days or listing of the Shares on the Stock Exchange are being revoked or withdrawn; or
- (9) **Insufficient share capital:** save and except where otherwise provided, if there is not a sufficient number of Shares available for the fulfilment of the obligations regarding the conversion of the Convertible Bonds.

**Undertakings by
the Company**

: The Company has covenanted to the Bondholders, among other things, that so long as any Convertible Bonds remains outstanding:

- (1) **Notice of events of default:** it will notify the Bondholder(s) in writing immediately upon becoming aware of the occurrence of any event of default;
- (2) **Convertible Bonds held by Company etc.:** it will send to the Bondholder(s) as soon as reasonably practicable and in any event within five (5) days after being so requested in writing by any Bondholder(s) a certificate of the Company signed by any two of its directors on behalf of the Company setting out, based on the register of Bondholders maintained by or on behalf of the Company, the total number of Convertible Bonds which, at the date of such certificate, were held by or on behalf of the Company or its Subsidiaries and which had not been cancelled;
- (3) **Compliance:** it will comply with and perform and observe all the provisions of the instrument constituting the Convertible Bonds which are expressed to be binding on it;
- (4) **Conversion Rights:** upon the exercise of any Conversion Rights pursuant to the conditions set out in the instrument constituting the Convertible Bond, it will allot the number of Shares in respect of which Conversion Rights are exercised subject to and in accordance with such conditions;

- (5) **Ranking:** it will ensure that all Shares allotted pursuant to an exercise of the Conversion Rights shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant registration date and shall accordingly entitle the holders to participate in full in all dividends or other distributions paid or made on the Shares after the relevant registration date other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefor falls on or before the relevant registration date and notice of the amount and record date for which shall have been given to the Stock Exchange, and the Bondholder(s) prior to the relevant registration date and, for this purpose, the notice to the Bondholder(s) may take the form of sending a copy of the relevant announcement published on the website of the Stock Exchange to them; and
- (6) **Public float:** it shall at all times use its reasonable endeavours to ensure that the minimum public shareholding requirement of the Listing Rules is complied with, including suspending Conversion Rights of the relevant Subscribers until such time when the Company is able to issue Shares in satisfaction of the Conversion Rights and at the same time comply with the Public Float Requirement and without triggering a mandatory general offer under the Takeovers Code (as the case may be).

Reasons for the issue of the Convertible Bonds and use of proceeds

As disclosed in the annual report of the Company for the year ended 31 March 2026, the Group is actively scaling up manufacturing investments in Suzhou, the PRC and Malaysia. As a result of its intended expansion, the Group expects to utilise approximately 25% of the net proceeds from the issue of the Convertible Bonds to fund these initiatives, including capital expenditure for increasing production capacity of the Group by developing three new manufacturing lines and upgrading manufacturing facilities through, among others, purchasing stamping machines and robot arms, in Suzhou, the PRC for the purposes of manufacturing switch enclosures to be utilised for data centre customers. Further, the Group plans to expand and increase investment in its overseas production base in Malaysia or other Southeast Asian region(s) so as to provide flexibility to existing customers with supply chain solutions locating outside of the PRC, and to capitalise on the opportunity to actively explore more new customers. The Group expects to utilise the net proceeds from the issue of the Convertible Bonds for such business expansion within 18 months from the issuance of the Convertible Bonds.

As the Group's business scales, sales are expected to increase, which in turn will require the Company to commit more capital to building up inventory and providing longer credit periods to customers in order to meet rising customer demand. To fund this growth, approximately 50% of the net proceeds from the issue of the Convertible Bonds is expected to be utilised for general working capital purposes. Specifically, the majority of the intended general working capital will be utilised to purchase raw materials and inventory for stockpiling, ensuring the Company can fulfil larger order volumes without disruption. Given the Company's cash conversion period (calculated by inventory turnover days plus trade receivables turnover days less trade payable turnover days) was 102 days, 92 days and 94 days for the three years ended 31 March 2026, respectively, a relatively larger portion of general working capital is required to bridge this gap. In addition, the Group's net working capital (calculated by trade receivables plus inventory minus trade payables) was approximately HK\$160.6 million, HK\$212.2 million and HK\$316.6 million for the three years ended 31 March 2026, respectively, which indicates that the Group had required an increasing amount of net working capital to support its growth since the year ended 31 March 2024. This requirement is further reinforced by the continuing decline in the Group's cash-to-revenue ratio (calculated by the aggregate of cash and cash equivalents plus time deposit divided by revenue) being approximately 27.0%, 20.1% and 11.4% for the three years ended 31 March 2026, respectively, which underscores the need for an injection in general working capital to fund the intended business expansion. The remaining portion of the intended general working capital will be utilised for employing additional staff to support the expanded scale of operations and covering other indirect operating expenses, including rental and renovation which are necessary to accommodate the Group's business growth. The Group expects to utilise the net proceeds from the issue of the Convertible Bonds for general working capital within 24 months from the issuance of the Convertible Bonds.

The Group also expects to utilise approximately 25% of the net proceeds from the issue of the Convertible Bonds for repayment of bank loans, including all bank borrowings as at 31 March 2026 in the amount of approximately HK\$67.8 million and further drawdowns made by the Group since 31 March 2026. Such repayment of bank loans are expected to be utilised within 12 months from the issuance of the Convertible Bonds.

Having considered other fund raising alternatives for the Group, such as bank loans and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Directors considered that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Group since it will not have an immediate dilution effect on the shareholding of the existing Shareholders and if the Conversion Right is exercised, the shareholder base of the Company will be broaden.

The gross proceeds from the issue of the Convertible Bonds will be HK\$360,000,000. The net proceeds from the issue of the Convertible Bonds will be approximately HK\$358.5 million, and the net price for each Conversion Share is approximately HK\$1.99.

As the Sale and Purchase Agreement is conditional upon, among other things, completion of the Luxshare Subscription Agreement, KIG Real Estate has a material interest in the Luxshare Subscription Agreement. Accordingly, Mr. Peter Sun, being the holder of approximately 56.43% of the issued share capital of KIG Real Estate has abstained from voting on the relevant board resolutions approving the Luxshare Subscription Agreement and the transactions contemplated thereunder in view of his interests therein. In addition, as the terms of the Other Subscription Agreements are substantially similar to that of the Luxshare Subscription Agreement and were negotiated in conjunction with the Luxshare Subscription Agreement, as a matter of prudence, Mr. Peter Sun also abstained from voting on the relevant board resolutions approving the Other Subscription Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors were required to abstain from voting on the board resolution(s) approving the Subscription Agreements and the transactions contemplated thereunder.

The Board (excluding the independent non-executive Directors who will form their view after considering the advice of the Independent Financial Adviser) considers that the terms and conditions of the Subscription Agreements, including the Conversion Price which were arrived at after arm's length negotiation between the Company and each of the Subscribers, are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole, as it allows the Company to enjoy more financial flexibility whilst attaining its business expansion goals, which would ultimately maximise its returns to the Shareholders.

Fund-raising activities in the past 12-month period

The Company had not conducted any fund-raising activities in the past 12 months immediately preceding the date of this joint announcement.

Specific Mandates to issue the Conversion Shares

Each of the Subscription Agreements and the transactions contemplated thereunder, including the issue and allotment of the Conversion Shares under the Specific Mandates, are subject to Shareholders' approval (or in the case of the Luxshare Subscription Agreement, the Independent Shareholders' approval) at the EGM.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Effect of issue of the Conversion Shares in full on shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately upon CB Completion and issue of the Conversion Shares in full:

	As at the date of this joint announcement		Immediately upon CB Completion and issue of the Conversion Shares in full ⁽³⁾	
	Number of Shares	Approximate shareholding %	Number of Shares	Approximate shareholding %
KIG Real Estate ⁽¹⁾	449,999,012	75.00	449,999,012	57.69
Luxshare Hong Kong ⁽²⁾	–	–	126,000,000	16.15
<i>Public Shareholders</i>				
Subscriber A ⁽⁴⁾	–	–	9,000,000	1.15
Subscriber B ⁽⁴⁾	–	–	9,000,000	1.15
Subscriber C ⁽⁴⁾	–	–	9,000,000	1.15
Subscriber D ⁽⁴⁾	–	–	9,000,000	1.15
Subscriber E ⁽⁴⁾	–	–	18,000,000	2.31
Other public Shareholders	<u>150,000,988</u>	<u>25.00</u>	<u>150,000,988</u>	<u>19.23</u>
Total	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>	<u><u>780,000,000</u></u>	<u><u>100.00</u></u>

Notes:

- As at the date of this joint announcement, KIG Real Estate was beneficially owned by Mr. Peter Sun, Mr. Wong Chi Kwok, Mr. Yung Ching Tak, Mr. Suen Fai Chuen Alan, Mrs Chow Suen Christina and Sunny Nova Limited (which was beneficially wholly-owned by Mr. He Lin) as to approximately 56.43%, 13.16%, 9.65%, 5.16%, 0.53% and 15.07%, respectively.
- As at the date of this joint announcement, Luxshare Hong Kong is a wholly-owned subsidiary of Luxshare Precision, a company with its A shares listed on the Shenzhen Stock Exchange (stock code: 002475) and its H shares listed on the Main Board of the Stock Exchange (stock code: 2475).

3. The hypothetical issue of the Conversion Shares in full shall be subject to compliance with the Listing Rules.
4. Each of Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E will be considered a member of the public in accordance with Rule 8.24 of the Listing Rules.
5. The percentages are subject to rounding adjustments and may not add up to 100%.

Implications under the Listing Rules

As the Sale and Purchase Agreement is conditional upon, among other things, completion of the Luxshare Subscription Agreement, KIG Real Estate, being the controlling shareholder of the Company as at the date of this joint announcement, has a material interest in the Luxshare Subscription Agreement. Further, notwithstanding that Luxshare Hong Kong is an Independent Third Party as at the date of this joint announcement, upon SPA Completion, Luxshare Hong Kong will become a controlling shareholder of the Company holding 342,000,000 Shares (representing 57.0% of the total issued share capital of the Company as at the date of this joint announcement). Accordingly, Luxshare Hong Kong will be a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the issue of the Convertible Bonds to Luxshare Hong Kong constitutes a connected transaction for the Company subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wan Kam To, Mr. Chan Ming Sun Jonathan and Ms. Cheng Yuan Ting Cana, has been established to advise the Independent Shareholders in respect of the Luxshare Subscription Agreement and the transactions contemplated thereunder. The Independent Financial Adviser will be appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee in respect of the Luxshare Subscription Agreement and the transactions contemplated thereunder, in particular, as to whether the terms of the Luxshare Subscription Agreement is, or is not, fair and reasonable and as to whether the Independent Shareholders should vote for or against the Luxshare Subscription Agreement and the transactions contemplated thereunder, will be included in the circular.

EGM

An EGM will be convened and held for the Shareholders (or in the case of the Luxshare Subscription Agreement, the Independent Shareholders) to consider and, if thought fit, pass ordinary resolutions(s) to approve, among other things, the Subscription Agreements and the transactions contemplated thereunder, including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares and the grant of the Specific Mandates. As the Sale and Purchase Agreement is conditional upon, among other things, completion of the Luxshare Subscription Agreement, KIG Real Estate has a material interest in the Luxshare Subscription Agreement. Accordingly, KIG Real Estate and its respective associates are required to abstain from voting at the EGM on the resolution(s) approving the same. In addition, as the terms of the Other Subscription Agreements are substantially similar to that of the Luxshare Subscription Agreement and were negotiated in conjunction with the Luxshare Subscription Agreement, as a matter of prudence, KIG Real Estate and its respective associates will also abstain from voting at the EGM on the resolution(s) approving the same.

Save for the aforementioned, after making all reasonable enquiries, no other Shareholder has a material interest in the Sale and Purchase Agreement and the Subscription Agreements, and is required to abstain from voting on the resolution(s) approving each of the Subscription Agreements and the transactions contemplated thereunder to be proposed at the EGM.

Despatch of the circular

A circular containing, among other things, (i) further details of the Subscription Agreements and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Luxshare Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Luxshare Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice of the EGM, will be despatched to the Shareholders as soon as practicable. It is estimated that the circular will be despatched to the Shareholders on or before 23 October 2026.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

B. ACQUISITION OF SALE SHARES BY LUXSHARE HONG KONG

On 13 September 2026, KIG Real Estate (as vendor), Mr. Peter Sun (as guarantor) and Luxshare Hong Kong (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which KIG Real Estate has conditionally agreed to sell, and Luxshare Hong Kong has conditionally agreed to purchase, 342,000,000 Shares, representing 57.0% of the issued Shares as at the date of this joint announcement, at an aggregate consideration of HK\$684,000,000, representing HK\$2.00 per Sale Share.

The principal terms of the Sale and Purchase Agreement are summarised below:

- Date** : 13 September 2026
- Parties** : (a) Luxshare Hong Kong, as the purchaser;
- (b) Mr. Peter Sun, as guarantor; and
- (c) KIG Real Estate, as the vendor.
- Sale Shares** : The Sale Shares comprise a total of 342,000,000 Shares, representing 57.0% of the entire issued share capital of the Company as at the date of this joint announcement. The Sale Shares will be acquired by Luxshare Hong Kong free from all encumbrances and with all rights attached thereto with effect from the date of SPA Completion (including but not limited to the right to receive all dividends and other distribution paid, made or declared in respect of them on and from the date of SPA Completion).
- Consideration and payment terms** : The aggregate consideration payable for the Sale Shares shall be HK\$684,000,000 (equivalent to HK\$2.00 per Sale Share) and shall be paid by Luxshare Hong Kong or its designated person to KIG Real Estate upon SPA Completion, by telegraphic transfer of immediately available funds to the account maintained with a licensed bank in Hong Kong as designated by KIG Real Estate.
- The consideration was determined after arm's length negotiations between KIG Real Estate and Luxshare Hong Kong taking into account, among other things, (i) the historical operating and financial performance of the Group; (ii) the financial position of the Group; (iii) the historical liquidity and market prices of the Shares; and (iv) the current market conditions.
- Conditions precedent** : SPA Completion is conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (1) all necessary consents, approvals, waivers and clearances from any Competent Authority (including the Vietnam Competition Commission) or other third party as may be required in connection with the sale and purchase of the Sale Shares having been obtained pursuant to the relevant Applicable Laws;
- (2) the trading of the Shares on the Stock Exchange not having been suspended for a period of more than twenty (20) consecutive SPA Business Days, save for any temporary suspension required by the relevant regulatory authorities for clearance of any announcements, circulars or any other matter in relation to the transactions contemplated under the Sale and Purchase Agreement and the Luxshare Subscription Agreement;
- (3) the listing of the Shares not having been cancelled or withdrawn prior to SPA Completion;
- (4) neither the Stock Exchange nor the Executive having indicated that the trading of the Shares on the Stock Exchange will be suspended, cancelled or withdrawn after SPA Completion, whether or not for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement;
- (5) the Luxshare Subscription Agreement having become unconditional in all respects and the completion and issue of convertible bonds under the Luxshare Subscription Agreement;
- (6) the warranties stipulated in the Sale and Purchase Agreement remaining true, accurate and complete and not misleading in all material respects on the date of the Sale and Purchase Agreement and on SPA Completion and there being no material breach of the representations and warranties given by KIG Real Estate under the Sale and Purchase Agreement on the completion date of the Sale and Purchase Agreement;

- (7) there being no material breach by any party of its respective obligations under the Sale and Purchase Agreement which will make it impossible or impracticable for SPA Completion to take place in accordance with the terms of the Sale and Purchase Agreement;
- (8) the Company being the direct or indirect holder of not less than 51% of the issued share capital of IMG Kingdom Limited (“**IMG Kingdom**”), and IMG Kingdom having become a subsidiary of the Company;
- (9) no events having occurred which caused, causes or may cause, whether individually or in aggregate, a (i) material adverse effect on the financial position, business, assets or operations of the Group as a whole; or (ii) material adverse effect on the ability of KIG Real Estate to perform or comply with its respective obligations, undertakings or covenants under the Sale and Purchase Agreement;
- (10) there being no Applicable Laws which shall, or which shall reasonably be expected to, forbid, restrict or impose conditions or restrictions on or in any way challenge any of the transactions contemplated under the Sale and Purchase Agreement; and
- (11) there being no proceedings from time to time instituted, made or brought or threatened by any party which will make it impossible or impracticable for SPA Completion to take place in accordance with the terms of the Sale and Purchase Agreement.

Each of Luxshare Hong Kong and KIG Real Estate shall use its best endeavours to procure fulfillment of the conditions precedent set out above, and Luxshare Hong Kong may waive any of the conditions precedent above (other than that set out in paragraph (1) above) at its sole and absolute discretion at or before 12:00 noon (Hong Kong time) on the SPA Long Stop Date. As at the date of this joint announcement, save as disclosed in condition precedent (1) above, the parties to the Sale and Purchase Agreement are not aware of any necessary consent, approval, waiver or clearance required to be obtained for the implementation of the Sale and Purchase Agreement and the transaction contemplated thereunder.

As at the date of this joint announcement, none of the conditions precedent set out above has been fulfilled or waived.

Upon negotiation of the Luxshare Subscription Agreement, Luxshare Hong Kong formed the view that the Company's expansion plans (once funded) could be a principal driver of value for the Company, and thus, it conditionally agreed to acquire the Sale Shares on the premise that the Company had secured funding for its expansion plans. By participating in the Subscription, Luxshare Hong Kong could ensure its controlling interest would not be materially diluted by the issue of the Convertible Bonds, as based on the 600,000,000 Shares in issue, the 342,000,000 Sale Shares would represent approximately 43.8% of the enlarged issue share capital if the Convertible Bonds were converted in full by investors other than Luxshare Hong Kong. Whereas, upon issue of the Conversion Shares in full, Luxshare Hong Kong would hold 468,000,000 Shares, representing 60.0% of the enlarged issued share capital of the Company. Accordingly, parties to the Sale and Purchase Agreement agreed that the Luxshare Subscription Agreement should form an integral part of the transaction, and that SPA Completion should be conditional upon, among other things, the Luxshare Subscription Agreement having become unconditional and completed.

Since 31 March 2026, the Company had disposed of 61% of the issued share capital of IMG Kingdom to an individual, being an Independent Third Party and former sales manager of the Company. Such former sales manager does not have any direct or indirect interest in the Shares. It was the intention of the Company to be a passive investor of IMG Kingdom, and to allow its business partner, being the aforementioned former sales manager, to attract potential new customers for the Group. During the negotiation of the Sale and Purchase Agreement, Luxshare Hong Kong noted that IMG Kingdom was the only entity within the Group over which the Company lacked statutory control. Luxshare Hong Kong intended to take control over all entities within its corporate structure in order to establish a consistent ownership and governance structure across the Group. In addition, following SPA Completion, IMG Kingdom is expected to serve the Group for the development of new business relationships and opportunities. As Luxshare Hong Kong considered that without a controlling interest in IMG Kingdom, the Company would merely be a minority investor and would be unable to control key commercial aspects of its operations, such as pricing, and safeguard key customer relationships to retain the benefit generated, Luxshare Hong Kong required SPA Completion to be conditional upon, among others, the Company being the direct or indirect holder of not less than 51% of the issued share capital of IMG Kingdom.

IMG Kingdom is a limited liability company incorporated in Hong Kong, and is expected to serve the Group for the development of new business relationships and opportunities, including procuring business orders for the Group. Based on the unaudited management accounts of IMG Kingdom, it did not generate any revenue for the fifteen months ended 31 March 2026. Based on the unaudited management accounts of IMG Kingdom, it (i) generated revenue of approximately HK\$130,000 for the three months ended 30 June 2026; and (ii) had assets of approximately HK\$170,000 and liabilities of approximately HK\$150,000 as at 30 June 2026. As at the date of this joint announcement, the details of obtaining not less than 51% of the issued share capital of IMG Kingdom has not been fixed. The Company intends to complete the acquisition of the remaining portion of the issued share capital of IMG Kingdom within three months of the Sale and Purchase Agreement. Notwithstanding the above, taking into account the applicable percentage ratios, the aforementioned disposal and the proposed acquisition of issued share capital of IMG Kingdom were and are expected to be fully exempted from the reporting and announcement requirements under Chapters 14 and 14A of the Listing Rules.

If any of the conditions precedent set out above has not been fulfilled (or, if applicable, waived by Luxshare Hong Kong in accordance with the terms of the Sale and Purchase Agreement) at or before 12:00 noon (Hong Kong time) on the SPA Long Stop Date, the Sale and Purchase Agreement shall lapse and be of no further effect and the parties thereto shall have no further obligations or liabilities thereunder save in respect of any antecedent breaches.

- Guarantee** : In consideration of Luxshare Hong Kong entering into the Sale and Purchase Agreement, Mr. Peter Sun unconditionally and irrevocably guarantees to Luxshare Hong Kong, as principal obligor and not merely as surety, the due and punctual performance and observance by KIG Real Estate of all of its obligations, commitments and undertakings under or pursuant to the Sale and Purchase Agreement, and Mr. Peter Sun undertakes to indemnify and keep indemnified Luxshare Hong Kong on demand against all reasonable losses, liabilities, damages, costs and expenses suffered or incurred by Luxshare Hong Kong arising out of, or in connection with, the failure by KIG Real Estate to perform or discharge any its obligation, commitment or undertaking under the Sale and Purchase Agreement.
- Completion** : SPA Completion shall take place at or before 4:00 p.m. (Hong Kong time) on the fifth SPA Business Day after all the conditions precedent set out above have been fulfilled or effectively waived, or such other later date as Luxshare Hong Kong and KIG Real Estate may agree in writing.
- KIG Undertaking** : Upon signing the Sale and Purchase Agreement, KIG Real Estate has irrevocably undertaken to Luxshare Hong Kong that, from the date of the Sale and Purchase Agreement until the close of the Offer, it will not, and will procure that its associates and parties acting in concert with it will not, accept or agree to accept the Offer or any revised, alternative or competing offer in respect of any Shares held by it or them which do not form part of the Sale Shares, nor tender any such Shares for acceptance of any such offer, nor otherwise sell, transfer, charge, pledge, encumber or dispose of any such Shares, except with the prior written consent of Luxshare Hong Kong or as required by the Executive, the SFC and/or the Stock Exchange.

C. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, Luxshare Hong Kong and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon SPA Completion, Luxshare Hong Kong and parties acting in concert with it will be interested in 342,000,000 Shares, representing 57.0% of the issued Shares. Pursuant to Rule 26.1 of the Takeovers Code, Luxshare Hong Kong will be required to make an unconditional mandatory general offer in cash for all the issued Shares and other securities issued by the Company (other than those already owned or agreed to be acquired by Luxshare Hong Kong and parties acting in concert with it).

Principal terms of the Offer

Subject to SPA Completion, Asian Capital will, for and on behalf of Luxshare Hong Kong, make the Offer in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share held HK\$2.00 in cash

The Offer Price of HK\$2.00 per Offer Share is equal to the consideration of HK\$2.00 per Sale Share under the Sale and Purchase Agreement and the Conversion Price of HK\$2.00 per Conversion Share under the Luxshare Subscription Agreement.

As at the date of this joint announcement, the Company has 600,000,000 Shares in issue.

Upon CB Completion, the Subscribers will, in aggregate, hold Convertibles Bonds of an aggregate principal amount of HK\$360,000,000 which carry rights to convert into 180,000,000 new Conversion Shares in full based on the initial Conversion Price of HK\$2.00 per Conversion Share.

Pursuant to Rule 13 of the Takeovers Code, Luxshare Hong Kong is required to make an unconditional mandatory general offer in cash for all the outstanding Convertible Bonds upon CB Completion (other than those already owned or agreed to be acquired by Luxshare Hong Kong and parties acting in concert with it).

Rule 13.1 of the Takeovers Code requires that the Offeror must make an appropriate offer or proposal to the holders of convertible securities to ensure their interests are safeguarded.

However, since each of the Subscribers will enter into the Irrevocable Undertaking upon CB Completion whereby each of them will irrevocably undertake with and confirm to the Company, among others, that each of them will not accept or agree to accept the offer for any Convertible Bonds directly or indirectly held, owned, controlled or directed by it, or exercise any Conversion Right attaching to the Convertible Bonds during the Offer Period, Luxshare Hong Kong will make a formal application to the Executive for a waiver from the requirement under Rule 13 of the Takeovers Code to make an offer to the holders of the Convertible Bonds. Subject to the Executive granting such waiver, no offer will be made by Luxshare Hong Kong for any Convertible Bonds in issue upon CB Completion.

Save for the Convertible Bonds to be held by the Subscribers upon CB Completion, the Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the date of this joint announcement.

The Offer will be unconditional in all respects when it is made. The Offer will extend to all Shares in issue other than those Shares held by Luxshare Hong Kong and parties acting in concert with it on the date on which the Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, save for (i) the KIG Undertaking; and (ii) the Irrevocable Undertakings to be made by the Subscribers, none of Luxshare Hong Kong and parties acting in concert with it has received any indication or irrevocable commitment from any Shareholder that he/she/it will accept or reject the Offer.

Value of the Offer

Based on the Offer Price of HK\$2.00 per Offer Share and 600,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$1,200,000,000.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement and up to the close of the Offer, and excluding (i) the 107,999,012 Shares to be retained by KIG Real Estate which are subject to the KIG Undertaking; and (ii) the 342,000,000 Shares to be held by Luxshare Hong Kong and parties acting in concert with it immediately upon SPA Completion, based on the Offer Price of HK\$2.00 per Offer Share and the remaining 150,000,988 Shares subject to the Offer, the maximum consideration payable by Luxshare Hong Kong under the Offer would be HK\$300,001,976.

Comparison of value

The Offer Price of HK\$2.00 per Offer Share represents:

- (i) a discount of approximately 36.8% to the closing price of HK\$3.165 per Share as quoted on the Stock Exchange on the 3 September 2026 (being the date immediately preceding the commencement of the Offer Period);
- (ii) a discount of approximately 33.6% to the average closing price of approximately HK\$3.014 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including 3 September 2026 (being the date immediately preceding the commencement of the Offer Period);
- (iii) a discount of approximately 30.1% to the average closing price of approximately HK\$2.863 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including 3 September 2026 (being the date immediately preceding the commencement of the Offer Period);
- (iv) a discount of approximately 18.5% to the average closing price of approximately HK\$2.453 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including 3 September 2026 (being the date immediately preceding the commencement of the Offer Period); and
- (v) a premium of approximately 75.3% over the Company's consolidated net asset value per Share of approximately HK\$1.141 as at 31 March 2026, calculated with reference to the Company's audited net asset value of approximately HK\$684.8 million as at 31 March 2026 and 600,000,000 Shares in issue as at the date of this joint announcement.

Luxshare Hong Kong will not increase the Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, Luxshare Hong Kong will not be allowed to increase the Offer Price and Luxshare Hong Kong does not reserve the right to increase the Offer Price.

The Offer, if and when made, will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Highest and lowest Share prices

During the six-month period immediately prior to and including 3 September 2026 (being the date immediately preceding the commencement of the Offer Period), (i) the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.30 on 28 April 2026; and (ii) the highest closing price per Share as quoted on the Stock Exchange was HK\$3.26 on 12 March 2026.

Financial resources confirmation

Luxshare Hong Kong intends to finance the cash consideration payable for the Sale Shares under the Sale and Purchase Agreement, the Convertible Bonds under the Luxshare Subscription Agreement and the Offer by its internal financial resources which were not borrowed from any third parties.

Frontpage Capital and Asian Capital, the joint financial advisers to Luxshare Hong Kong in respect of the Offer, are satisfied that sufficient financial resources are available to Luxshare Hong Kong to satisfy the consideration payable for the Sale Shares under the Sale and Purchase Agreement, the consideration payable for the subscription of the Convertible Bonds under the Luxshare Subscription Agreement and of the maximum consideration payable under of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Offer Shareholders will sell their tendered Shares to Luxshare Hong Kong which shall be fully paid and free and clear of any lien and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document. In the event that the Company pays or makes any dividend or other distribution in respect of the Offer Shares on or after the date of this joint announcement and up to the close of the Offer, the Offer Price will be reduced by an amount equal to the amount of such dividend or other distribution pursuant to Note 11 to Rule 23.1 of the Takeovers Code. As at the date of this joint announcement, no outstanding dividend declared by the Company remains unpaid, and it is advised by the Board that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Offer.

Acceptances of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days (as defined in the Takeovers Code) after the date on which a duly completed acceptance of the Offer is received in accordance with Rule 20.1 of the Takeovers Code. Relevant document(s) evidencing title in respect of such acceptance must be received by or on behalf of Luxshare Hong Kong (or its agent) to render each such acceptance of the Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

No fraction of a cent will be payable, and the amount of consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders

Luxshare Hong Kong intends to make the Offer available to all Shareholders, including Overseas Shareholders.

However, the making and the implementation of the Offer to Shareholders who are not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are residents. Overseas Shareholders who are citizens or residents or nationals of a jurisdiction outside Hong Kong should keep themselves informed about and observe any applicable legal or regulatory requirements and where necessary seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction).

Any acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to Luxshare Hong Kong that the local laws and requirements have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to the Overseas Shareholders is prohibited by any Applicable Laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders. For that purpose, Luxshare Hong Kong will apply for a waiver as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. In any event, material information in the Composite Document will be made available to those Shareholders.

Hong Kong stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of: (i) the market value of the Offer Shares; or (ii) the consideration payable by Luxshare Hong Kong in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by Luxshare Hong Kong on behalf of the relevant Shareholders accepting the Offer. Luxshare Hong Kong will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Offer Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of Luxshare Hong Kong and parties acting in concert with it, the Company and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Dealing and interests in the securities of the Company

Luxshare Hong Kong confirms that, save for the Sale and Purchase Agreement and the Luxshare Subscription Agreement and the transactions contemplated thereunder, as at the date of this joint announcement:

- (a) Luxshare Hong Kong, its ultimate beneficial owners and parties acting in concert with any one of them do not own or have control or direction over any voting rights or rights over the Shares, convertible securities, options, warrants, or derivatives of the Company;
- (b) save for (i) the KIG Undertaking; and (ii) the Irrevocable Undertakings to be made by the Subscribers, Luxshare Hong Kong, its ultimate beneficial owners and parties acting in concert with any one of them have not received any irrevocable commitment to accept or reject the Offer;

- (c) there is no agreement or arrangement in relation to outstanding derivative in respect of securities in the Company which has been entered into by Luxshare Hong Kong, its ultimate beneficial owners and any person acting in concert with any one of them;
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of Luxshare Hong Kong or the Shares which may be material to the Offer;
- (e) there is no agreement or arrangement to which Luxshare Hong Kong, its ultimate beneficial owners and parties acting in concert with any one of them is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (f) there are no Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which Luxshare Hong Kong, its ultimate beneficial owners and parties acting in concert with any one of them have borrowed or lent;
- (g) there is no consideration, compensation or benefit in whatever form paid or to be paid by Luxshare Hong Kong, its ultimate beneficial owners or any parties acting in concert with any one of them to KIG Real Estate and/or any parties acting in concert with it in connection with the sale and purchase of the Sale Shares;
- (h) save for the KIG Undertaking, there is no understanding, agreement, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between Luxshare Hong Kong, its ultimate beneficial owners or any parties acting in concert with any one of them on one hand, and KIG Real Estate and/or parties acting in concert with it on the other hand;
- (i) save for the KIG Undertaking, there is no understanding, arrangement, agreement or special deal between (1) any Shareholder; and (2)(a) Luxshare Hong Kong, its ultimate beneficial owners and/or any parties acting in concert with any one of them, or (b) the Company, its subsidiaries or associated companies; and
- (j) Luxshare Hong Kong, its ultimate beneficial owners and parties acting in concert with any one of them had not dealt in the Shares, outstanding share options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the commencement of the Offer Period.

The Company also confirms that, save for the Sale and Purchase Agreement (and the KIG Undertaking) and the relevant Subscription Agreements and the transactions contemplated thereunder, as at the date of this joint announcement, there is no understanding, arrangement, agreement or special deal between any Shareholder and the Company, its subsidiaries or associated companies.

Effect of SPA Completion on shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately upon SPA Completion (assuming no other changes in the issued share capital of the Company from the date of this joint announcement up to SPA Completion); and (iii) immediately upon SPA Completion, CB Completion and issue of the Conversion Shares in full:

	As at the date of this joint announcement		Immediately upon SPA Completion		Immediately upon SPA Completion, CB Completion and issue of the Conversion Shares in full ⁽³⁾	
	<i>Number of Shares</i>	<i>Approximate shareholding %</i>	<i>Number of Shares</i>	<i>Approximate shareholding %</i>	<i>Number of Shares</i>	<i>Approximate shareholding %</i>
KIG Real Estate ⁽¹⁾	449,999,012	75.00	107,999,012	18.00	107,999,012	13.85
Luxshare Hong Kong and parties acting in concert with it (other than KIG Real Estate) ⁽²⁾	–	–	342,000,000	57.00	468,000,000	60.00
Sub-total of Luxshare Hong Kong and parties acting in concert with it	449,999,012	75.00	449,999,012	75.00	575,999,012	73.85
<i>Public Shareholders</i>						
Subscriber A ⁽⁴⁾	–	–	–	–	9,000,000	1.15
Subscriber B ⁽⁴⁾	–	–	–	–	9,000,000	1.15
Subscriber C ⁽⁴⁾	–	–	–	–	9,000,000	1.15
Subscriber D ⁽⁴⁾	–	–	–	–	9,000,000	1.15
Subscriber E ⁽⁴⁾	–	–	–	–	18,000,000	2.31
Other public Shareholders	150,000,988	25.00	150,000,988	25.00	150,000,988	19.23
Total	600,000,000	100.00	600,000,000	100.00	780,000,000	100.00

Notes:

- As at the date of this joint announcement, KIG Real Estate was beneficially owned by Mr. Peter Sun, Mr. Wong Chi Kwok, Mr. Yung Ching Tak, Mr. Suen Fai Chuen Alan, Mrs Chow Suen Christina and Sunny Nova Limited (which was beneficially wholly-owned by Mr. He Lin) as to approximately 56.43%, 13.16%, 9.65%, 5.16%, 0.53% and 15.07%, respectively.
- As at the date of this joint announcement, Luxshare Hong Kong is a wholly-owned subsidiary of Luxshare Precision, a company with its A shares listed on the Shenzhen Stock Exchange (stock code: 002475) and its H shares listed on the Main Board of the Stock Exchange (stock code: 2475).

3. The hypothetical issue of the Conversion Shares in full shall be subject to compliance with the Listing Rules.
4. Each of Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E will be considered a member of the public in accordance with Rule 8.24 of the Listing Rules.
5. The percentages are subject to rounding adjustments and may not add up to 100%.

Intention of Luxshare Hong Kong

As at the date of this joint announcement, following the close of the Offer, Luxshare Hong Kong intends to continue the existing business of the Group and maintain the employment of the operational and administrative employees of the Group (except for the proposed changes to the member of the Board as detailed in the sub-paragraph headed “Proposed change of the Board” below). As at the date of this joint announcement, Luxshare Hong Kong has no intention to dispose of or downsize the existing business of the Group or the assets of the Group. However, Luxshare Hong Kong reserves the right to make such changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

Upon the close of the Offer, Luxshare Hong Kong will conduct a detailed review of the operations of the Group and formulate feasible business strategies with a view to maintain and/or expand the existing business in a sustainable way, which may include rebalancing the resources of the Group should appropriate opportunities arise. As at the date of this joint announcement, no investment or business opportunity has been identified, nor has Luxshare Hong Kong entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

As at the date of this joint announcement, there is no concrete timetable for executing the aforesaid business review. Any such acquisition or investment, once materialised, will be announced by the Company as and when necessary pursuant to the requirements of the Listing Rules.

Proposed change of the Board

The Board is currently made up of five members, comprising two executive Directors, Mr. Peter Sun and Mr. Wong Chi Kwok; and three independent non-executive Directors, Mr. Wan Kam To, Mr. Chan Ming Sun Jonathan and Ms. Cheng Yuan Ting Cana. As at the date of this joint announcement, no decision has been made by Luxshare Hong Kong as to any change in the composition of the Board (including any resignation of the existing Directors) and it has not reached any decision as to who will be nominated as new Director. Any changes to the Board composition will be announced by the Company and made in compliance with the Takeovers Code and the Listing Rules as and when appropriate.

Public float and maintaining the listing status of the Company

Luxshare Hong Kong does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

The Stock Exchange has stated that:

- (a) if, at the close of the Offer, the Stock Exchange believes that:
 - (i) a false market exists or may exist in the trading of the Shares; or
 - (ii) an orderly market does not exist or may not exist,it will consider exercising its discretion to suspend the dealings in the Shares; and
- (b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then:
 - (i) the Stock Exchange will add a designated marker to the stock name of the Shares; and
 - (ii) the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

Luxshare Hong Kong intends the Company to remain listed on the Stock Exchange. The sole director of Luxshare Hong Kong and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. Luxshare Hong Kong will issue separate announcement(s) as and when necessary in this regard.

Despatch of the Composite Document

If the Offer materialises, it is the intention of Luxshare Hong Kong and the Company to combine the offer document and the offeree board circular in the Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer accompanied by the acceptance and transfer forms); (ii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders in relation to the Offer, is required to be despatched to the Shareholders no later than 21 days of the date of this joint announcement.

However, as there are pre-conditions to the making of the Offer (being the SPA Completion), an application will be made by Luxshare Hong Kong for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to no later than seven (7) days of the fulfilment of all pre-conditions (i.e. SPA Completion).

Further announcement(s) shall be made as and when necessary in this regard.

The Independent Board Committee and the Independent Financial Adviser

Pursuant to Rule 2.8 of the Takeovers Code, members of an independent board committee should comprise all non-executive directors who have no direct or indirect interest in any offer. Accordingly, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wan Kam To, Mr. Chan Ming Sun Jonathan and Ms. Cheng Yuan Ting Cana, has been established to advise the Offer Shareholders on the terms of the Offer.

The Independent Financial Adviser will be appointed by the Independent Board Committee to advise the Independent Board Committee and the Offer Shareholders on the terms of the Offer. A further announcement will be made by the Company upon the appointment of the Independent Financial Adviser.

The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee to the Offer Shareholders in respect of the Offer, in particular, as to whether the terms of the Offer are, or are not, fair and reasonable and as to whether it should or should not be accepted if it is made, will be included in the Composite Document.

D. INFORMATION ON THE PARTIES

Information of the Group

The Group is principally engaged in the manufacturing and sale of metal stamping products.

Set out below is a summary of the audited consolidated financial results of the Company for each of the years ended 31 March 2025 and 2026:

	For the year ended 31 March	
	2025	2026
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	757,546	1,040,983
Gross profit	137,279	222,026
Profit for the year attributable to owners of the Company	36,329	81,631
Total comprehensive income for the year attributable to owners of the Company	<u>28,629</u>	<u>92,551</u>
	As at 31 March	
	2025	2026
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	<u>842,351</u>	<u>1,031,119</u>
Total liabilities	<u>(218,702)</u>	<u>(346,305)</u>
Net assets	<u>623,649</u>	<u>684,814</u>

Information of Luxshare Hong Kong

Luxshare Hong Kong is a company incorporated in Hong Kong with limited liability. As at the date of this joint announcement, it is a wholly-owned subsidiary of Luxshare Precision, a joint stock company with limited liability established in the PRC with its A shares listed on the Shenzhen Stock Exchange (stock code: 002475) and its H shares listed on the Main Board of the Stock Exchange (stock code: 2475). Luxshare Hong Kong is an investment holding and trading company of Luxshare Precision and its subsidiaries and takes business orders for Luxshare Precision and its subsidiaries. Luxshare Precision is principally engaged in the research, development, manufacturing and sales of products in the fields of consumer electronics, auto electronics, communication and data center, and other end markets. Luxshare Precision is controlled as to approximately 35.28% by Luxshare Limited. Luxshare Hong Kong, Luxshare Precision and Luxshare Limited are ultimately controlled by Ms. Wang Laichun and Mr. Wang Laisheng.

Ms. Wang Laichun is currently the sole director of Luxshare Hong Kong. Ms. Wang Laichun is also chairlady, executive director and general manager of Luxshare Precision. Mr. Wang Laisheng is the vice chairman and executive director of Luxshare Precision. As at the date of this joint announcement, Ms. Wang Laichun and Mr. Wang Laisheng are each interested in 50% of the share capital of Luxshare Limited which is in turn directly interested in approximately 35.28% of the registered capital of Luxshare Precision. Mr. Wang Laisheng is also directly interested in approximately 0.26% of the registered capital of Luxshare Precision.

Luxshare Hong Kong is an Independent Third Party as at the date of the Luxshare Subscription Agreement and prior to SPA Completion. Subsequent to SPA Completion, Luxshare Hong Kong would become the controlling shareholder of the Company.

Information of the Subscribers

Subscriber A is an investment holding company incorporated in Samoa with limited liability, which is wholly-owned by Mr. Chen Lu. As far as the Board is aware, Mr. Chen Lu has extensive experience in technology development particularly for the high-speed gear manufacturing. As at the date of this joint announcement, Mr. Chen Lu is the sole director of Subscriber A.

Subscriber B is an investment holding company incorporated in Samoa with limited liability, which is wholly-owned by Mr. Yuan Lingzhi. As far as the Board is aware, Mr. Yuan Lingzhi has extensive experience in sales and marketing and substantial management experience in packaging industry. As at the date of this joint announcement, Mr. Yuan Lingzhi is the sole director of Subscriber B.

Subscriber C is an investment holding company incorporated in Samoa with limited liability, which is wholly-owned by Ms. Wang Chu-Chen. As far as the Board is aware, Ms. Wang Chu-Chen has extensive experience in the manufacturing sector, particularly in automation-related businesses. As at the date of this joint announcement, Ms. Wang Chu-Chen is the sole director of Subscriber C.

Subscriber D is an investment holding company incorporated in Hong Kong with limited liability, which is wholly-owned by Ms. Wang Hongyu. As far as the Board is aware, Ms. Wang Hongyu has extensive management experience in the network solutions. As at the date of this joint announcement, Ms. Wang Hongyu is the sole director of Subscriber D.

Subscriber E is an investment holding company incorporated in Samoa with limited liability, which is wholly-owned by Ms. Yao Lianfang. As far as the Board is aware, Ms. Yao Lianfang is a merchant with investment experience in manufacturing businesses. As at the date of this joint announcement, Ms. Yao Lianfang is the sole director of Subscriber E.

The subscribers of the Other Subscription Agreements and their ultimate beneficial owners are engaged in businesses that are not related to the principal business activities of the Group. In view of the substantial capital required to expand the Group's production bases in the PRC, Malaysia or other Southeast Asian region(s), Luxshare Hong Kong introduced Subscribers A to E to participate in the Subscription. This allows the Company to fulfill its expansion funding requirements while reducing reliance on a single investor. The Directors consider the participation of Subscribers A to E, in addition to Luxshare Hong Kong, in the Subscription to be in the interest of the Group, as it diversifies the Shareholder base, strengthens its capital structure, and provides a broader foundation to support its long-term financing needs and future development.

As of the date of the Subscription Agreements and the date of this joint announcement, there are no relationships (whether business, financial or personal) among the Subscribers or the beneficial owners of the Subscribers.

E. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 14 September 2026 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 October 2026.

F. WARNING

AS THE SUBSCRIPTIONS ARE SUBJECT TO THE FULFILMENT OR WAIVER (IF APPLICABLE) OF CERTAIN CONDITIONS PRECEDENT, THE SUBSCRIPTIONS MAY OR MAY NOT PROCEED.

AS THE OFFER WILL ONLY BE MADE AFTER SPA COMPLETION, WHICH IS SUBJECT TO A NUMBER OF CONDITIONS, INCLUDING COMPLETION OF THE LUXSHARE SUBSCRIPTION AGREEMENT, THE OFFER MAY OR MAY NOT PROCEED AND IS THEREFORE A POSSIBILITY ONLY.

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD NOTE THAT THE INDEPENDENT BOARD COMMITTEE HAS YET TO CONSIDER AND EVALUATE THE OFFER. THE DIRECTORS MAKE NO RECOMMENDATION AS TO THE FAIRNESS OR REASONABLENESS OF THE OFFER OR AS TO THE ACCEPTANCE OF THE OFFER IN THIS JOINT ANNOUNCEMENT. SHAREHOLDERS SHOULD READ THE COMPOSITE DOCUMENT, INCLUDING THE RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE IN RESPECT OF THE OFFER AND A LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER, BEFORE FORMING A VIEW ON THE OFFER.

SHAREHOLDERS AND POTENTIAL INVESTORS ARE (I) REMINDED TO MONITOR THE ANNOUNCEMENT(S) TO BE MADE BY THE COMPANY OR JOINTLY BY LUXSHARE HONG KONG AND THE COMPANY IN RESPECT OF THE PROGRESS OF THE OFFER; AND (II) ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. IF SHAREHOLDERS AND POTENTIAL INVESTORS ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

G. DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including persons holding 5% or more of a class of relevant securities of the Company) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

H. DEFINITIONS

Unless the context otherwise requires, the following expressions have the meanings in this joint announcement:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Applicable Laws”	means any constitutions, enactments, ordinances, regulations, orders, notices, judgments, common law, treaties and any other legislations or laws of any relevant jurisdictions, including but not limited to the Listing Rules and the Takeovers Code
“Approved Professional Adviser”	an independent firm of merchant bank or audit firm of international repute in the opinion of the Company appointed in accordance with the provisions of the instrument constituting the Convertible Bonds
“Asian Capital”	Asian Capital Limited (卓亞融資有限公司), a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to Luxshare Hong Kong in relation to the Offer

“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bondholder”	a person whose name a Convertible Bond is registered in the register of Bondholders, and “holder” in relation to a Convertible Bond has a corresponding meaning
“CB Business Day”	a day (other than Saturdays, Sundays and such other days where a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong), on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CB Completion”	completion of the Subscription which shall take place on the CB Completion Date
“CB Completion Date”	the fifth CB Business Day after the date on which the conditions precedent set out in the relevant Subscription Agreement are fulfilled (or waived, if applicable) (or such other date as the Company and the relevant Subscriber may agree in writing)
“CB Issue Date”	the date of first issue of the Convertible Bonds
“CB Long Stop Date”	31 December 2026 or such other date as the Company and each of the Subscribers shall agree in writing
“Company”	KFM Kingdom Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3816)

“Competent Authority”	means any supra-national, national, state, municipal or local government (including any sub-division, court, administrative agency or commission or other authority of any supra-national, national, state, municipal or local government) or any governmental or quasi-governmental or private body exercising any regulatory, administrative, supervisory, judicial, determinative, disciplinary, taxing, importing or other governmental or quasi-governmental authority (including any tribunal, securities exchange, competition or antitrust authority, foreign investment authority, or supervisory body)
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by Luxshare Hong Kong and the Company to the Offer Shareholders in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer, the acceptance and transfer forms, the recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	the conversion price per Conversion Share at which Conversion Shares will be issued upon exercise of the Conversion Rights, being initially HK\$2.00 per Conversion Share, subject to adjustments pursuant to the terms and conditions of the Convertible Bonds
“Conversion Rights”	the rights of the holder of the Convertible Bonds to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares subject to the terms and conditions of the instrument constituting the Convertible Bonds
“Conversion Share(s)”	new Share(s) to be allotted and issued by the Company pursuant to the exercise of the Conversion Rights pursuant to the terms and conditions of the Convertible Bonds

“Convertible Bonds”

with respect to the convertible bonds to be issued under:

- (1) the Luxshare Subscription Agreement, the HK\$252,000,000 (zero-coupon) convertible bonds due 2029 to be issued by the Company to Luxshare Hong Kong;
- (2) the Subscription Agreement A, the HK\$18,000,000 (zero-coupon) convertible bonds due 2029 to be issued by the Company to Subscriber A;
- (3) the Subscription Agreement B, the HK\$18,000,000 (zero-coupon) convertible bonds due 2029 to be issued by the Company to Subscriber B;
- (4) the Subscription Agreement C, the HK\$18,000,000 (zero-coupon) convertible bonds due 2029 to be issued by the Company to Subscriber C;
- (5) the Subscription Agreement D, the HK\$18,000,000 (zero-coupon) convertible bonds due 2029 to be issued by the Company to Subscriber D; and
- (6) the Subscription Agreement E, the HK\$36,000,000 (zero-coupon) convertible bonds due 2029 to be issued by the Company to Subscriber E.

“Director(s)”

the director(s) of the Company

“EGM”

the extraordinary general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Subscription Agreements and the transactions contemplated thereunder (including the Specific Mandates)

“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Frontpage Capital”	Frontpage Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to Luxshare Hong Kong in relation to the Offer
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Wan Kam To, Mr. Chan Ming Sun Jonathan and Ms. Cheng Yuan Ting Cana, formed to advise (i) the Independent Shareholders in respect of the Luxshare Subscription Agreement and the transactions contemplated thereunder; and (ii) the Offer Shareholders in respect of the Offer, in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code
“Independent Financial Adviser”	an independent financial adviser, to be appointed by the Independent Board Committee to advise (i) the Independent Board Committee and the Independent Shareholders in respect of the Luxshare Subscription Agreement and the transactions contemplated thereunder; and (ii) the Independent Board Committee and the Offer Shareholders in respect of the Offer
“Independent Shareholders”	Shareholders, other than KIG Real Estate, Luxshare Hong Kong and their respective associates
“Independent Third Party(ies)”	party(ies) who is (are) independent of and not connected with the Company and its connected persons
“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) to be entered into by each of the Subscribers (i.e. Luxshare Hong Kong, Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E) pursuant to the relevant Subscription Agreement

“KIG Real Estate”	KIG Real Estate Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which was beneficially owned by Mr. Peter Sun, Mr. Wong Chi Kwok, Mr. Yung Ching Tak, Mr. Suen Fai Chuen Alan, Mrs. Chow Suen Christina and Sunny Nova Limited (which was beneficially wholly-owned by Mr. He Lin) as to approximately 56.43%, 13.16%, 9.65%, 5.16%, 0.53% and 15.07%, respectively, as at the date of this joint announcement
“KIG Undertaking”	the irrevocable undertaking made by KIG Real Estate upon signing of the Sale and Purchase Agreement
“Last Trading Day”	11 September 2026, being the last day on which Shares were traded on the Stock Exchange prior to the suspension of trading of the Shares with effect from 9:00 a.m. on 14 September 2026
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luxshare Precision”	Luxshare Precision Industry Co., Limited (立訊精密工業股份有限公司), a joint stock company with limited liability established in the PRC, the A shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002475) and the H shares of which have been listed on the Stock Exchange (stock code: 2475)
“Luxshare Subscription Agreement”	the conditional subscription agreement dated 13 September 2026 (as amended by the Luxshare Supplemental Agreement) and entered into between the Company (as issuer) and Luxshare Hong Kong (as subscriber) in relation to the Subscription
“Luxshare Supplemental Agreement”	the supplemental agreement dated 30 September 2026 entered into between Luxshare Hong Kong and the Company in relation the Luxshare Subscription Agreement
“Maturity Date”	the date falling three years after the CB Issue Date or, if that is not a CB Business Day, the first CB Business Day thereafter

“Mr. Peter Sun”	Mr. Sun Kwok Wah Peter, an executive Director and holder of approximately 56.43% of the issued share capital of KIG Real Estate
“Offer”	the possible unconditional mandatory cash offer for the Shares (other than those already owned or agreed to be acquired by Luxshare Hong Kong and parties acting in concert with it) to be made (subject to SPA Completion) by Luxshare Hong Kong to the Offer Shareholders pursuant to the Takeovers Code
“Offer Period”	being the period from 4 September 2026 until the latest of (i) the date when the Offer closes for acceptance; (ii) the date when the Offer lapses; (iii) the time when Luxshare Hong Kong announces that the Offer will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Offer
“Offer Price”	HK\$2.00 per Offer Share, the price at which the Offer will be made
“Offer Share(s)”	issued Share(s) other than those already owned or agreed to be acquired by Luxshare Hong Kong and parties acting in concert with it when the Offer is made
“Offer Shareholder(s)”	Shareholders, other than Luxshare Hong Kong and parties acting in concert with it
“Offeror” or “Luxshare Hong Kong”	Luxshare Precision Limited (立訊精密有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of Luxshare Precision as at the date of this joint announcement
“Other Subscription Agreements”	the Subscription Agreement A, Subscription Agreement B, Subscription Agreement C, Subscription Agreement D and Subscription Agreement E
“Overseas Shareholder(s)”	Shareholder(s) (if any), whose address(es), as shown on the register of members of the Company, are outside of Hong Kong

“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Public Float Requirement”	the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the Shares which are listed on the Stock Exchange shall be held by the public for the purpose of the Listing Rules
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 September 2026 and entered into between KIG Real Estate (as vendor), Mr. Peter Sun (as guarantor) and Luxshare Hong Kong (as purchaser) in respect of the sale and purchase of Sale Shares
“Sale Shares”	342,000,000 Shares to be acquired by Luxshare Hong Kong from KIG Real Estate pursuant to the Sale and Purchase Agreement, which represents 57.0% of the entire issued share capital of the Company as at the date of the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA Business Day”	a day (excluding Saturday, Sunday and public holiday in Hong Kong) on which banks generally are open in Hong Kong for the transaction of normal banking business
“SPA Completion”	completion of the sale and purchase of the Sale Shares in accordance with the provisions of the Sale and Purchase Agreement

“SPA Long Stop Date”	30 September 2027 or such later date as may be agreed in writing by Luxshare Hong Kong and KIG Real Estate (as the case may be)
“Specific Mandate(s)”	the specific mandate(s) to be granted to the Directors by the Shareholders (or in the case of the Luxshare Subscription Agreement, the Independent Shareholders) at the EGM to allot and issue the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Pelagis Capital Limited, an international company incorporated in Samoa
“Subscriber B”	Aqualis Holdings Limited, an international company incorporated in Samoa
“Subscriber C”	Truewin Group Co., Ltd., a company incorporated in Samoa
“Subscriber D”	Hong Kong An Tan Co., Limited, a company incorporated in Hong Kong with limited liability
“Subscriber E”	WaveBridge Capital Limited, an international company incorporated in Samoa
“Subscriber(s)” or each, a “Subscriber”	Luxshare Hong Kong, Subscriber A, Subscriber B, Subscriber C, Subscriber D and/or Subscriber E
“Subscription(s)”	the subscription of the Convertible Bonds pursuant to the terms of the relevant Subscription Agreements
“Subscription Agreement A”	the conditional subscription agreement dated 13 September 2026 (as amended by Supplemental Agreement A) and entered into between the Company (as issuer) and Subscriber A (as subscriber) in relation to the Subscription

“Subscription Agreement B”	the conditional subscription agreement dated 13 September 2026 (as amended by Supplemental Agreement B) and entered into between the Company (as issuer) and Subscriber B (as subscriber) in relation to the Subscription
“Subscription Agreement C”	the conditional subscription agreement dated 13 September 2026 (as amended by Supplemental Agreement C) and entered into between the Company (as issuer) and Subscriber C (as subscriber) in relation to the Subscription
“Subscription Agreement D”	the conditional subscription agreement dated 13 September 2026 (as amended by Supplemental Agreement D) and entered into between the Company (as issuer) and Subscriber D (as subscriber) in relation to the Subscription
“Subscription Agreement E”	the conditional subscription agreement dated 13 September 2026 (as amended by Supplemental Agreement E) and entered into between the Company (as issuer) and Subscriber E (as subscriber) in relation to the Subscription
“Subscription Agreements”, or each a “Subscription Agreement”	the Luxshare Subscription Agreement and the Other Subscription Agreements
“Supplemental Agreement A”	the supplemental agreement dated 30 September 2026 entered into between Subscriber A and the Company
“Supplemental Agreement B”	the supplemental agreement dated 30 September 2026 entered into between Subscriber B and the Company
“Supplemental Agreement C”	the supplemental agreement dated 30 September 2026 entered into between Subscriber C and the Company
“Supplemental Agreement D”	the supplemental agreement dated 30 September 2026 entered into between Subscriber D and the Company
“Supplemental Agreement E”	the supplemental agreement dated 30 September 2026 entered into between Subscriber E and the Company

“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented, or otherwise modified from time to time
“total Effective Consideration”	the aggregate consideration receivable by the issuer for the securities issued plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights
“%”	per cent.

By order of the director of
Luxshare Precision Limited
Ms. Wang Laichun
Sole Director

By order of the Board of
KFM KINGDOM HOLDINGS LIMITED
Mr. Sun Kwok Wah Peter
Chairman

Hong Kong, 30 September 2026

As at the date of this joint announcement, the executive Directors are Mr. Sun Kwok Wah Peter and Mr. Wong Chi Kwok; and the independent non-executive Directors are Mr. Wan Kam To, Mr. Chan Ming Sun Jonathan and Ms. Cheng Yuan Ting Cana.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the announcement of the Company dated 4 September 2026 and this joint announcement (other than any information relating to Luxshare Hong Kong and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the announcement of the Company dated 4 September 2026 and this joint announcement (other than those expressed by the sole director of Luxshare Hong Kong) have been arrived at after due and careful consideration and there are no other facts not contained in the announcement of the Company dated 4 September 2026 and this joint announcement the omission of which would make any statement in the announcement of the Company dated 4 September 2026 and this joint announcement misleading.

As at the date of this joint announcement, the sole director of Luxshare Hong Kong is Ms. Wang Laichun and the directors of Luxshare Precision include Ms. Wang Laichun, Mr. Wang Laisheng, Mr. Qian Jiwen, Mr. Hao Jie, Mr. Chen Weihang; Dr. Hou Lingling, Mr. Liu Zhonghua and Ms. Song Yuhong.

The sole director of Luxshare Hong Kong and the directors of Luxshare Precision jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group, KIG Real Estate and parties acting in concert with it) and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

In the event of any inconsistency, the English text of this joint announcement shall prevail over its Chinese text.