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ARTGO HOLDINGS LIMITED

雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

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

Financial Adviser to the Company



**DILIGENT
CAPITAL**

Diligent Capital Limited

Placing Agent to the Company



Arta Asset Management Limited

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the fulfilment of the conditions of the Rights Issue, to raise gross proceeds of up to approximately HK\$204.78 million before expenses by way of the Rights Issue of 426,631,386 Rights Shares at the Subscription Price of HK\$0.48 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date and payable in full on acceptance. The Rights Issue is non-underwritten, available only to the Qualifying Shareholders, and not available to the Non-Qualifying Shareholders.

Assuming that there will be no change to the total issued share capital of the Company on or before the Record Date and there is full acceptance of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$200.35 million.

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

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis, irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is conditional on minority Shareholders' approval at the EGM in accordance with the requirements of Rule 7.19A of the Listing Rules.

Pursuant to Rule 7.27A(1) of the Listing Rules, where Shareholders' approval is required for a rights issue under rule 7.19A, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As of the date of this announcement, the Company does not have a controlling shareholder as defined by the Listing Rules. However, Ms. Wu Jing and Mr. Qiu Yuyuan, both of whom serve as executive Directors, each hold beneficial interests in 655,685 Shares and 600,000 Shares, respectively, which represent approximately 0.46% and 0.42% of the total issued share capital of the Company as of the date of this announcement. As a result, Ms. Wu Jing and Mr. Qiu Yuyuan are required to abstain from voting on the proposed resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. Save as the above disclosure, no other Shareholders or Directors are required to abstain from voting in favour of the proposed resolution to approve the Rights Issue and the transaction contemplated thereunder at the EGM.

GENERAL

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

An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are (i) in the ordinary and usual course of business of the Company, (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder. A circular including, among other things, (i) further information on the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before Friday, 9 October 2026 in compliance with the Listing Rules.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents to the Qualifying Shareholders, which contain, among other things, details of the Rights Issue.

The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the conditions of the Rights Issue to raise gross proceeds of up to approximately HK\$204.78 million before expenses by way of the Rights Issue of 426,631,386 Rights Shares at the Subscription Price of HK\$0.48 per Rights Share on the basis of three (3) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Further details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as of the close of business on the Record Date
Subscription Price:	HK\$0.48 per Rights Share
Net Subscription Price:	HK\$0.47 per Rights Share
Number of Shares in issue as at the date this announcement:	142,210,462 Shares
Maximum number of Rights Shares:	Up to 426,631,386 Rights Shares (assuming there will be no change to the total issued share capital of the Company on or before the Record Date, and that no fractional Shares will be issued)
Gross proceeds from the Rights Issue:	Up to approximately HK\$204.78 million before expenses (assuming there will be no change to the total issued share capital of the Company on or before the Record Date, and the Rights Shares will be taken up by the Qualifying Shareholders, or that any Unsubscribed Rights Shares will be successfully placed by the Placing Agent under the Placing)

Assuming there will be no change to the total issued capital of the Company on or before the Record Date, 426,631,386 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 300% of the total issued share capital of the Company as at the date of this announcement; and (ii) 75% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

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

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of its intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must, at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be the Non-Qualifying Shareholders.

To be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 5 November 2026.

Closure of the register of members

The register of members of the Company will be closed from Wednesday, 28 October 2026 to Monday, 2 November 2026 (both days inclusive) to determine the eligibility of Shareholders to attend and vote at the EGM.

The register of members of the Company will be closed from Friday, 6 November 2026 to Thursday, 12 November 2026 (both days inclusive) to ascertain entitlements for the Rights Issue. During this period, no transfer of Shares will be registered.

Subscription Price

The Subscription Price of HK\$0.48 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 32.39% to the closing price of HK\$0.710 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 32.68% to the average closing price of approximately HK\$0.713 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iii) a discount of approximately 33.01% to the average closing price of approximately HK\$0.717 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 10.82% to the theoretical ex-rights price of approximately HK\$0.538 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.710 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.51%, which is calculated based on the benchmarked price of approximately HK\$0.713 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days immediately prior to the Last Trading Day); and
- (vi) a discount of approximately 88.62% to the audited net asset value per Share of approximately HK\$4.22 based on the latest audited consolidated net asset value Group of approximately RMB541,028,000 (equivalent to approximately HK\$599,945,949) as at 31 December 2025 and the number of Shares in issue as at the date of this announcement (i.e. 142,210,462 Shares).

The Subscription Price was determined after an arm's-length negotiation, based on, among other things, the prevailing market price of the Shares and the Group's financial condition.

As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (excluding the independent non-executive Directors) consider the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

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

Basis of provisional allotments

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

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be, have not been, and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue.

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

According to the register of members of the Company as of the date of this announcement, there were 18 Shareholders with registered address situated in the PRC, who held 24,183,500 Shares in aggregate, representing approximately 17.01% of the issued share capital of the Company as at the Last Trading Day, and 1 Shareholder with registered address situated in the BVI, who held 1,157,500 Shares in aggregate, representing approximately 0.81% of the issued share capital of the Company as at the Last Trading Day.

The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send the Prospectus (without the PAL) and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to the Non-Qualifying Shareholders for their information only.

It is the responsibility of the Shareholders, including the Overseas Shareholders, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

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

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on a pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Compensatory Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Fractional entitlement

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market, and if a premium (net of expenses) is achieved, the Company will retain the net proceeds for its own benefit. Any of these Rights Shares that remain unsold in the market will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

Application for listing

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

Dealing in the Rights Shares in their nil-paid and fully paid forms will be in the board lots of 5,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

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

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

Stamp duty and other applicable fees

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

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Thursday, 31 December 2026.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched by ordinary post on or before Thursday, 31 December 2026 at the respective Shareholders' own risk.

Non-underwritten basis

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

In deciding to conduct the Rights Issue on a non-underwritten basis and without a minimum subscription level, the Directors have considered the Company's funding needs, prevailing market conditions, the interests of the Qualifying Shareholders and the risks associated with the proposed structure. The Directors considered the following factors:

- (i) **Difficulty in obtaining underwriting support.** The Company approached securities firms to underwrite the Rights Issue. However, due to, among other things, the trading performance, trading volume and liquidity of the Shares, the uncertain level of Shareholder participation and the size of the fund-raising, the firms approached declined to provide underwriting support. Accordingly, the Directors consider that proceeding on a non-underwritten basis is a practical and commercially reasonable alternative.

- (ii) **Discounted Subscription Price.** The Subscription Price has been set at a discount to the prevailing market price of the Shares to encourage Qualifying Shareholders to participate in the Rights Issue and improve the prospects of raising funds.
- (iii) **Flexibility in fund-raising.** The absence of a minimum subscription level enables the Company to proceed with the Rights Issue and use the proceeds actually raised, even if the Rights Issue is not fully subscribed. The Directors consider that this avoids the risk of the Rights Issue being delayed or terminated if a minimum subscription level is not achieved.
- (iv) **Fair opportunity for Shareholders to participate.** The Rights Issue is offered to Qualifying Shareholders on a pro rata basis. Qualifying Shareholders may subscribe for their entitlements to maintain their percentage interests in the Company. The discounted Subscription Price also provides an incentive for them to participate and helps mitigate the potential dilution arising from the Rights Issue.
- (v) **Arrangements for any shortfall.** If the Rights Issue is not fully subscribed, the Company may prioritise or reallocate the proceeds among its proposed uses and consider alternative financing options, where appropriate. These arrangements provide the Company with flexibility to address any shortfall in proceeds.

The proposed non-underwritten structure and the absence of a minimum subscription level are legally permissible and enable the Company to raise funds in a timely and flexible manner, particularly given the difficulty in obtaining underwriting support.

Having considered the above factors, the Directors consider that proceeding with the Rights Issue on a non-underwritten basis and without a minimum subscription level is in the best interests of the Company and its Shareholders as a whole.

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares that remain unplaced under the Compensatory Arrangements will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code and the Company to ensure the compliance of the requirements of the sufficient public float be maintained upon the Completion in accordance to the note to Rule 7.19(5) and 8.08 of the Listing Rules.

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

On 2 October 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best-effort basis, procure, by not later than 4:00 p.m. on Monday, 21 December 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares that are not placed will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

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

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

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

The Placing Agreement

The principal terms of the Placing Agreement are summarised below:

- Date : 2 October 2026 (after trading hours)
- Issuer : The Company
- Placing Agent : Arta Asset Management Limited
- As at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
- Placing Period : The period from Monday, 7 December 2026 up to 4:00 p.m. on Monday, 21 December 2026, or such other dates as the Company and the Placing Agent may agree in writing, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
- Placing Price : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price, and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process.
- Placing commission : Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent.
- Placees : The placees shall be professional, institutional or other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be Independent Third Parties.
- Ranking of the Unsubscribed Rights Shares : The placed Unsubscribed Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of completion of the Placing.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
 - ii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

None of the above conditions precedent may be waived by the parties to the Placing Agreement. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

The Company shall use its best endeavor to procure the fulfillment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to its attention and indicates that any of such conditions are unable to be fulfilled or fail to be fulfilled. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

Termination

- : If any of the following events occur at any time prior to 6:00 p.m. on the second Business Day after the last day of the Placing Period (the “**Placing Long Stop Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:
- (a) there is any change in national, international, financial, exchange control, political, or economic conditions in Hong Kong which, in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
 - (b) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or

- (c) there is any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) there is any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) there is (1) any of the Company's representations or warranties becomes or is found to be untrue or inaccurate in any material respect, or any event arises which would render such representations or warranties untrue or inaccurate; (2) the Company commits a material breach of any provision of the Placing Agreement; or (3) there is any material adverse change in market conditions which, in the Placing Agent's absolute opinion, would materially and adversely affect the Placing or make it inadvisable or inexpedient to proceed.

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

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company, with reference to the prevailing market rate, and the Company considers the terms to be normal commercial terms.

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

Given that the Company has put in place the Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions:

- (1) the passing of the necessary resolutions by the Shareholders (or as the case may be, the Independent Shareholders) at the EGM approving, among other things, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Posting Date of a certificate authorizing registration of the Prospectus with Hong Kong Companies Registry;
- (2) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong, the Prospectus Documents, in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, not later than the Posting Date;
- (3) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (4) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully paid forms) by no later than the first day of their dealings;
- (5) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (6) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Friday, 4 December 2026 (or such later date as the Company may determine), the Rights Issue will not proceed.

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

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The estimated net proceeds from the Rights Issue, after considering all anticipated expenses and assuming there will be no changes to the total issued share capital of the Company on or before the Record Date, are projected to amount to approximately HK\$200.35 million (the “**Net Proceeds**”). This projection is based on the expectation that Qualifying Shareholders will fully subscribe to the Rights Shares or that any Unsubscribed Rights Shares will be successfully placed by the Placing Agent. The Directors intend to allocate the Net Proceeds as follows:

- (i) approximately HK\$162.19 million, representing approximately 80.95% of the Net Proceeds, will be directed toward repaying the Group’s liabilities; and
- (ii) approximately HK\$38.16 million, representing approximately 19.05% of the Net Proceeds, will be designated for general and corporate administrative purposes. This allocation includes directors’ remuneration, wages and salaries, legal and professional fees, and rental expenses.

Based on the current business plan, the Group anticipates that the proceeds will be fully utilized within 12 months following completion of the Rights Issue.

(1) Repayment of the Group’s outstanding indebtedness

The Company intends to apply approximately HK\$162.19 million of the Net Proceeds as follows:

- (a) approximately RMB112.71 million, equivalent to approximately HK\$132.89 million, for the repayment in full of the First Loan; and
- (b) approximately RMB24.85 million, equivalent to approximately HK\$29.30 million, for the repayment in full of the Second Loan.

The above allocation is based on the outstanding amounts of the First Loan and the Second Loan, including accrued interest, as at the expected repayment date. The actual allocation may be adjusted, among other things, based on the amount of interest accrued up to the date of repayment.

(1.1) Principal terms of the First Loan and the Second Loan

First Loan

The First Loan is an unsecured loan advanced to the Group by an independent third-party lender (the “**Lender**”). As at 30 June 2026, the total outstanding amount of the First Loan was approximately RMB112.71 million, comprising RMB111.00 million in principal and approximately RMB1.71 million in accrued interest.

The First Loan bears interest at 3% per annum and is scheduled to mature on 30 September 2029 pursuant to the relevant loan agreement and supplemental agreement. Based on current estimate, the accrued interest under the First Loan will amount to approximately RMB2.56 million up to 30 September 2026 and will be due for payment on that date.

Under the relevant loan documents, the Group's failure to pay the accrued interest on or before 30 September 2026 would constitute an event of default. In such circumstances, default interest would be chargeable at 18% per annum on the outstanding amount with effect from 1 October 2026. The Lender may also be entitled to demand immediate repayment of the outstanding principal, notwithstanding the scheduled maturity date of 30 September 2029.

Second Loan

The Second Loan represents another unsecured loan advanced to the Group by a PRC individual and an Independent Third Party. The Second Loan was originally provided to finance the production and business operations of a mine owned by the Group and located in Yongfeng County, Jiangxi Province, the PRC. As at 30 June 2026, the outstanding amount of the Second Loan was approximately RMB24.85 million, comprising RMB19.80 million in principal and approximately RMB5.05 million in accrued interest.

The Second Loan bears interest at 18% per annum and is scheduled to mature on 31 December 2027. Based on current estimates, accrued interest under the Second Loan will amount to approximately RMB5.94 million up to 30 September 2026 and will be due for payment on that date.

Accordingly, the total accrued interest payable by the Group in respect of the First Loan and the Second Loan on 30 September 2026 is estimated to be approximately RMB8.50 million.

(1.2) Event of default and affected loan amount

Based on the information currently available to the Company, the Company wishes to clarify that, as at 30 September 2026, the only event of default relates to the interest payable under the First Loan.

As a result of such event of default, the interest rate applicable to the outstanding principal amount of the First Loan will increase from 3% per annum to 18% per annum with effect from 1 October 2026.

Accordingly, the aggregate amount in respect of which an event of default has occurred after 30 September 2026 comprises the outstanding principal amount and accrued interest under the First Loan, which amounted to approximately RMB113.56 million as at 30 September 2026.

(1.3) Background and reasons for the Rights Issue

When the Company published its circular in relation to the share consolidation on 4 June 2026, the Board prepared a cash flow forecast based on the information and circumstances then available.

At that time, the Board expected that:

- (i) the Company would receive approximately RMB7.00 million in repayment of other receivables in July 2026;
- (ii) the Group would incur operating cash outflows of approximately RMB485,000 per month during the second half of 2026;
- (iii) the Group would incur finance costs of approximately RMB1.42 million per month during the second half of 2026; and
- (iv) based on the Group's cash balance of approximately RMB9.30 million as at early June 2026, the Group would retain a cash balance of approximately RMB10.58 million as at 31 August 2026, after taking into account the expected repayment of other receivables (i.e., RMB9.30 million – (RMB485,000 + RMB1.42 million) x 3 months + RMB7.00 million).

Based on those assumptions, the Board considered that the Group would be able to settle the accrued interest under the First Loan and the Second Loan when due. The Board also considered that, if necessary, the Group could explore refinancing with banks or other financial institutions. Accordingly, the Board did not consider it necessary or appropriate at that time to undertake a rights issue in connection with the share consolidation.

However, the Group's operating cash flow did not improve as expected. In particular, the Group delayed collecting certain other receivables. These other receivables are due from companies based in the PRC that are customers or business partners of the Group and are contractually obliged to settle the relevant amounts in accordance with the agreed payment terms.

Based on the information currently available to the Group, the delay was primarily attributable to the relevant debtors deferring payment and extending the settlement period for their accounts payable in order to manage their respective working capital and cash flow positions. Although the relevant agreements generally entitle the Group to demand immediate repayment, the Group considered it commercially appropriate to allow the relevant debtors a reasonable period to arrange their cash flows, rather than commencing formal legal proceedings immediately.

As at 31 August 2026, the Group's cash balance had decreased to approximately RMB8.80 million, representing a shortfall of approximately RMB1.78 million compared with the cash balance of approximately RMB10.58 million projected in the earlier cash flow forecast. The Group currently expects to collect the relevant outstanding receivables by the end of 2026. The Group has informed the relevant debtors that, if they do not settle the outstanding amounts by 31 December 2026, the Group will consider taking formal legal action to recover the amounts due.

In addition, based on the latest cash flow forecast, the Group is expected to incur operating cash outflows, including finance costs, of approximately RMB2.40 million per month from September 2026 to November 2026. This represents an increase of approximately RMB0.495 million per month compared with the amount projected in the previous cash flow forecast. Accordingly, the Group is not expected to have sufficient surplus funds to settle the accrued interest under the First Loan and the Second Loan when it falls due on 30 September 2026 without adversely affecting its liquidity and ability to maintain its ongoing operations.

Following the publication of the circular in relation to the share consolidation on 4 June 2026, the Company indicated that it did not intend to conduct any fundraising activities during the 12 months following completion of the share consolidation. Upon becoming aware of the circular's contents, the Lender subsequently commenced discussions with the Company regarding the Group's repayment plan and, on 10 July 2026, served a reminder letter to the Group (the "**Reminder Letter**").

The Reminder Letter reminded the Group that, upon the occurrence of an event of default or any other non-compliance under the relevant loan documents, including any delay in the payment of interest, default interest would be chargeable at 18% per annum on the outstanding amount with effect from 1 October 2026.

Although the scheduled maturity date of the First Loan is 30 September 2029, the Group is therefore required to secure sufficient funds to pay the accrued interest by 30 September 2026 to avoid an event of default, the potential acceleration of the First Loan, and the accrual of default interest. If the accrued interest remains unpaid, the Group may be required to repay the RMB111.00 million principal amount of the First Loan immediately, together with accrued interest and any applicable default interest.

After receiving the Reminder Letter, the Directors reviewed the Group's financial position, cash flow forecasts and treasury requirements. The Directors noted that the Group remains highly leveraged, with substantial borrowings, limited current assets, and a relatively low cash balance. Based on the latest cash flow forecasts, the Group's operating cash inflows are expected to be substantially applied towards day-to-day operations, operating expenses and working capital requirements. Accordingly, the Directors consider that the Group is unlikely to generate sufficient surplus cash to settle the accrued interest without adversely affecting its ability to maintain adequate liquidity for its ongoing operations.

The Group's ability to obtain alternative financing is also constrained by its financial position and the limited availability of assets suitable for pledging. The Group's existing assets primarily comprise mining infrastructure and construction in progress relating to its mining business in the PRC. Such assets may not be readily realisable or acceptable to financial institutions as collateral. The Group may therefore be unable to obtain secured financing to repay the relevant loans and may instead need to rely on unsecured or cash-backed facilities, if available. Any such facilities may involve higher financing costs, more stringent terms or limited funding availability.

In light of the Group's weaker-than-expected operating cash flow, deteriorating liquidity position, imminent interest payment obligations and continuing difficulty in obtaining refinancing, the Directors consider that the Group's financial circumstances have materially changed since the publication of the circular in relation to the share consolidation.

The Directors therefore consider that the Rights Issue is necessary to enable the Group to meet its imminent repayment obligations, avoid a potential default and preserve sufficient liquidity for its continuing operations.

(1.4) Factors considered in determining the amount and use of the Net Proceeds

In determining the amount to be raised and the proposed allocation of the Net Proceeds, the Directors have considered the following principal factors:

(i) Imminent interest payment obligations and default risk

The accrued interest under the First Loan and the Second Loan, estimated at approximately RMB8.50 million in aggregate, will be due on 30 September 2026.

If the Group does not pay the accrued interest on time, it may be an event of default. In respect of the First Loan, default interest may be charged at 18% per annum with effect from 1 October 2026, and the Lender may be entitled to demand immediate repayment of the RMB111.00 million principal amount, together with accrued interest and any applicable default interest.

The Directors therefore consider it necessary to prioritise the repayment of the accrued interest in order to reduce the risk of default, acceleration and enforcement action.

(ii) High financing costs

The First Loan and the Second Loan carry interest at 3% per annum and 18% per annum, respectively. The aggregate annual interest expense associated with the two loans is approximately RMB10.00 million, based on their respective outstanding principal amounts and applicable interest rates.

Although the principal amounts of the First Loan and the Second Loan are not scheduled to mature until 2029 and 2027, respectively, the Directors consider early repayment commercially prudent, particularly for the Second Loan, which bears a relatively high interest rate. Repayment of the loans would: (a) reduce the Group's finance costs; (b) reduce its overall indebtedness and gearing; (c) improve its liquidity and capital structure; and (d) reduce its exposure to the risk of default interest and potential acceleration.

(iii) Improvement of the Group's financial position

After repaying the First Loan and the Second Loan, the Group would have lower indebtedness and a reduced gearing ratio. The Directors consider that this may improve the Group's financial standing and enhance its ability to obtain financing from banks or other financial institutions at a lower cost, should it require additional funding for future operations.

(iv) Preservation of liquidity for ongoing operations

The Directors have also considered the need to retain sufficient working capital for the Group's day-to-day operations, operating expenses and working capital requirements. Given the Group's limited cash balance and expected operating cash outflows, the Company does not consider it appropriate to apply all of the Net Proceeds to repay borrowings without retaining sufficient funds to support the Group's continuing operations.

The proposed allocation of the Net Proceeds is therefore intended to balance the Group's immediate repayment obligations with its ongoing liquidity requirements.

If the Net Proceeds are lower than the amount currently expected, the Company intends to apply the available Net Proceeds in the following order of priority: first, to settle the accrued interest under the First Loan and the Second Loan falling due on 30 September 2026; second, after settlement of the accrued interest, to repay the Second Loan, which carries the higher interest rate; and thereafter, to repay the outstanding principal amount of the First Loan, subject to the amount of Net Proceeds available and the Group's working capital requirements.

The Company's prioritisation of the Second Loan after settlement of the accrued interest is intended to reduce the Group's exposure to its higher financing cost and lower its overall finance cost burden over the long term.

(1.5) Conclusion

The Rights Issue is intended to provide the Group with the funds necessary to: (i) settle the imminent accrued interest obligations under the First Loan and the Second Loan; (ii) reduce the risk of default, acceleration and enforcement; (iii) repay the higher-cost Second Loan; (iv) reduce the Group's overall indebtedness and finance costs; (v) improve the Group's liquidity and capital structure; and (vi) preserve sufficient funds for the Group's continuing operations.

Having considered the above, the Directors consider that the proposed allocation of the Net Proceeds is necessary, commercially prudent and in the interests of the Company and its Shareholders as a whole.

(2) General corporate and administration working capital purposes

After reviewing the 2025 Annual Report and the Group's unaudited consolidated financial statements for the six months ended 30 June 2026, the Directors consider that the Group has an immediate need to replenish its working capital. For the six months ended 30 June 2026, the Group recorded a loss before tax of approximately RMB18.87 million, administrative expenses of approximately RMB19.57 million and selling and distribution expenses of approximately RMB3.00 million, while its gross profit was only approximately RMB9.40 million. As a result, the Group's operating performance and cash position have weakened, and its internally generated cash flows are insufficient to cover its ongoing expenses and maintain adequate working capital.

The Directors acknowledge that the Company did not contemplate an immediate fund-raising exercise when it conducted the share consolidation exercise on 4 June 2026. At that time, the Directors relied on the financial information, cash resources, expected operating cash flows and working capital requirements then available. The need for additional working capital became apparent only after the Group's financial review following the finalisation of its unaudited consolidated financial statements for the six months ended 30 June 2026. The Group's loss before tax, low gross profit and significant operating expenses indicated a higher-than-expected funding requirement. Accordingly, the current fund-raising proposal was not contemplated at the time of the share consolidation but has become necessary due to the Group's subsequently identified financial and liquidity needs.

The Directors therefore intend to allocate approximately HK\$38.16 million from the Net Proceeds for general working capital purposes, including (i) approximately HK\$22.00 million for employee salaries and other personnel-related costs; (ii) approximately HK\$5.00 million for professional fees and other professional services; (iii) approximately HK\$3.00 million for rental expenses; and (iv) approximately HK\$8.16 million for other administrative and operating expenses.

The allocation will help preserve the Group's operational liquidity, support its ongoing go-to-market activities, and enable the Group to expand its business while maintaining service quality and timely delivery. The Net Proceeds allocated for the above purposes are expected to be fully utilised by the Group within 12 months after Completion.

(3) Other fund-raising alternatives

Apart from conducting the Rights Issue, the Directors have considered other debt and equity fundraising alternatives, such as bank borrowings, placements, or an open offer. In view of the current financial environment, the Directors believe that it might be difficult for the Group to obtain debt financing, including bank borrowings, if any, without paying an above-market-average interest rate and providing security. Currently, the Group's interest costs range from approximately 2.80% to 24.00%. It is anticipated that increased debt financing may elevate the Group's gearing. This potential increase could result in higher interest expenses and finance costs, thereby imposing an additional financial burden on the Group's future cash flow. Furthermore, creditors will rank ahead of the Shareholders, and placings of new shares will dilute the Shareholders' interests without affording them the opportunity to participate in the exercise. In the interests of the Group and its Shareholders as a whole, the Board believes it is prudent

to finance the Group's business growth through equity financing, which will not increase the Group's costs or interest burden. Unlike an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and continue to participate in the Company's future development.

Having considered the abovementioned alternatives, the Directors consider that raising funds through the Rights Issue is more attractive in the current market conditions. The Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

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

(4) Conclusion

The Group has conducted a detailed assessment of its capital requirements. As of 30 June 2026, the cash and cash equivalents amount to approximately RMB8.61 million. The Directors intend to allocate these resources to support the Group's general working capital needs.

In addition, the Company is committed to managing its cash balances diligently to ensure that it has adequate financial resources available to seize potential business opportunities as they arise. The Directors believe that raising additional funds to HK\$200.35 million will alleviate the Group's financial burden.

The Directors are confident that this course of action will not adversely impact the Group's financial performance from its ongoing business activities. Furthermore, the Directors consider that the Rights Issue is in the best interests of the Company and its Shareholders as a whole.

In the event that the Net Proceeds from the Rights Issue are lower than the estimated maximum Net Proceeds, the Company will prioritise the repayment of the accrued interest payable under the First Loan and the Second Loan. After taking into account the Group's working capital requirements for the six months following Completion, the remaining funds will be applied towards the repayment of the principal amount of the Second Loan and, thereafter, the principal amount of the First Loan.

The Company will also assess various options to address any potential shortfall, including exploring additional financing and fundraising alternatives.

FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately before the date of this announcement:

Date of relevant announcements	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
5 December 2025 and 24 December 2025	Placing of new shares under the general mandate	HK\$24.77 million	(i) as to approximately HK\$3.00 million for the general working capital of the Group; and (ii) as to approximately HK\$21.77 million for repayment of the Group's current debts and interests.	Fully utilised

Save as disclosed above, the Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes to the Company's shareholding structure arising from the Rights Issue, for illustrative purposes only. Below is the illustration of the Company's shareholding structure, including:

- (i) as of the date of this announcement;
- (ii) immediately after Completion, assuming (a) all Qualifying Shareholders will take up their respective entitlements of the Rights Issue in full; and (b) there will be no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 1**"); and
- (iii) immediately after Completion, assuming (a) none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares; (b) the Placing Agent will successfully place all the Unsubscribed Rights Shares under the Placing; and (c) there will be no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 2**").

Shareholders	As of the date of this announcement		Scenario 1		Scenario 2 (Note 2)	
	Number of Shares	Approximately Shareholding Percentage	Number of Shares	Approximately Shareholding percentage	Number of Shares	Approximately Shareholding Percentage
Wu Jing (Note 1)	655,685	0.46%	2,622,740	0.46%	655,685	0.12%
Qiu Yuyuan (Note 1)	600,000	0.42%	2,400,000	0.42%	600,000	0.11%
Heifeng Casado Co., Limited (Note 2)	27,300,064	19.20%	109,200,256	19.20%	27,300,064	4.80%
Xu Xiaodong	13,800,000	9.70%	55,200,000	9.70%	13,800,000	2.42%
The Placees	—	—	—	—	426,631,386	75.00%
Public Shareholders	<u>99,854,713</u>	<u>70.22%</u>	<u>399,418,852</u>	<u>70.22%</u>	<u>99,854,713</u>	<u>17.55%</u>
Total	<u>142,210,462</u>	<u>100.00%</u>	<u>568,841,848</u>	<u>100.00%</u>	<u>568,841,848</u>	<u>100.00%</u>

Notes:

1. Ms. Wu Jing and Mr. Qiu Yuyuan are executive Directors.
2. This scenario is for illustrative purposes only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best-effort basis, to subscribe for the Unsubscribed Rights Shares. The Company will take all appropriate steps to ensure that sufficient public float is maintained in compliance with Rule 8.08 of the Listing Rules. In the event that the Rights Issue would result in public float not being maintained, the Company and/or the Placing Agent will place down the Shares such that sufficient public float could be maintained in compliance with Rule 8.08 of the Listing Rules.

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue and the Placing set out below is for indicative purposes only and has been prepared on the assumption that all conditions of the Rights Issue and the Placing will be fulfilled.

Events	Date and Time
Expected despatch date of circular together with notice and proxy forms in relation to the EGM for the Rights Issue	Friday, 9 October 2026
Latest time for lodging transfers of the Shares to qualify for attendance and voting at the EGM.....	4:30 p.m. on Tuesday, 27 October 2026
Closure of the register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM.....	Wednesday, 28 October 2026 to Monday, 2 November 2026 (both days inclusive)

Events	Date and Time
Latest time for lodging proxy forms for the EGM.....	11:00 a.m. on Saturday, 31 October 2026
Record date for attendance and voting at the EGM	Monday, 2 November 2026
Expected date and time of the EGM to approve the proposed Rights Issue	11:00 a.m. on Monday, 2 November 2026
Announcement of poll results of the EGM	Monday, 2 November 2026
Register of members of the Company re-opens.....	Tuesday, 3 November 2026
The following events are conditional on the fulfilment of the conditions relating to the implementation of the Rights Issue and, therefore, the dates are tentative only:	
Last day of dealings in the Shares on a cum-rights basis.....	Tuesday, 3 November 2026
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue.....	Wednesday, 4 November 2026
Latest time for lodging transfers of Shares to qualify for the Rights Issue.....	4:30 p.m. on Thursday, 5 November 2026
Closure of the register of members of the Company for the determination of entitlements to the Rights Issue.....	Friday, 6 November 2026 to Thursday, 12 November 2026 (both days inclusive)
Record Date for the Rights Issue.....	Thursday, 12 November 2026
Register of members of the Company re-opens.....	Friday, 13 November 2026
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only	Friday, 13 November 2026
First day of dealings in nil-paid Rights Shares	Tuesday, 17 November 2026
Latest time for splitting of PAL	4:30 p.m. on Thursday, 19 November 2026
Last day of dealings in nil-paid Rights Shares	Tuesday, 24 November 2026
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Friday, 27 November 2026

Events	Date and Time
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Friday, 4 December 2026
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent	Monday, 7 December 2026
Latest time of the placing of Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Monday, 21 December 2026
Placing Long Stop Date	Wednesday, 23 December 2026
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company.....	Wednesday, 30 December 2026
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Thursday, 31 December 2026
Despatch of refund cheques, if any, if the Rights Issue is terminated.....	Thursday, 31 December 2026
Commencement of dealings in fully-paid Rights Shares.....	9:00 a.m. on Monday, 4 January 2027
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Friday, 8 January 2027

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

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

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal is no.8 or above, or “extreme conditions” are caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

- (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

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

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is conditional on minority Shareholders’ approval at the EGM in accordance with the requirements of Rule 7.19A of the Listing Rules.

Pursuant to Rule 7.27A(1) of the Listing Rules, where Shareholders’ approval is required for a rights issue under rule 7.19A, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As of the date of this announcement, the Company does not have a controlling shareholder as defined by the Listing Rules. However, Ms. Wu Jing and Mr. Qiu Yuyuan, both of whom serve as executive Directors, each hold beneficial interests in 655,685 Shares and 600,000 Shares, respectively, which represent approximately 0.46% and 0.42% of the total issued share capital of the Company as of the date of this announcement. As a result, Ms. Wu Jing and Mr. Qiu Yuyuan are required to abstain from voting on the proposed resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. Save as the above disclosure, no other Shareholders or Directors are required to abstain from voting in favour of the proposed resolution to approve the Rights Issue and the transaction contemplated thereunder at the EGM.

GENERAL

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

An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial

terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder.

A circular including, among other things, (i) further information on the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before Friday, 9 October 2026 in compliance with the Listing Rules.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents to the Qualifying Shareholders, which contain, among other things, details of the Rights Issue.

The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under to the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Company”	Artgo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 3313)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best-effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Completion”	completion of the Rights Issue and the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors, will be established by the Board for the purpose of advising the Independent Shareholders on the Rights Issue and voting
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the Rights Issue and voting
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information, and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Last Trading Day”	Friday, 2 October 2026, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 27 November 2026 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Compensatory Arrangements
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Right Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)

“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account of either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Arta Asset Management Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated Friday, 2 October 2026 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Placing
“Placing Long Stop Date”	Wednesday, 23 December 2026, or such other date as may be agreed between the Company and the Placing Agent as the latest date for placing, and payment for, the Unsubscribed Rights Shares under the Placing Agreement

“Placing Period”	the period from Monday, 7 December 2026 up to 4:00 p.m. on Monday, 21 December 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
“Placing Price”	the placing price of the unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	Friday, 13 November 2026 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company, containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Friday, 13 November 2026, (or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of three (3) Rights Shares for every one (1) Share in issue on the Record Date, being 426,631,386 Shares based on the Company’s issued share capital as at the date of this announcement

“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.48 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Share(s)”	those Rights Share(s) that are not subscribed by the Qualifying Shareholder(s) and Rights Share(s) which would otherwise have been allotted to the Non-Qualifying Shareholder(s) (as the case may be)
“%”	per cent.

By order of the Board
Artgo Holdings Limited
Qiu Yuyuan
Executive Director

Hong Kong, 2 October 2026

As at the date of this announcement, the executive Directors are Ms. Wu Jing, Mr. Tsai Yu Shen, Mr. Wan Jian, and Mr. Qiu Yuyuan; the non-executive Director is Mr. Gu Zengcai; and the independent non-executive Directors are Ms. Lung Yuet Kwan, Mr. Hui Yat On, and Mr. Zhai Feiquan.

For the purpose of this announcement, unless otherwise specified, the conversion of RMB into HK\$ is based on the approximate exchange rate from RMB1 = HK\$1.179. The exchange rate is adopted for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this rate or any other rate at all.