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TIAN CHENG HOLDINGS LIMITED
天成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2110)

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A BEST EFFORT UNDERWRITTEN BASIS

Underwriter and Placing Agent

PineStone 鼎石

PROPOSED RIGHTS ISSUE

The Company proposes to conduct the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK$0.463 per Rights Share, to raise gross proceeds of up to approximately HK$60.0 million (assuming no change in the number of Shares in issue on or before the Record Date) or approximately HK$63.1 million (assuming Shares are allotted and issued upon full exercise of the outstanding Share Options).

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

THE COMPENSATORY ARRANGEMENTS AND THE UNDERWRITING AGREEMENT

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a best effort underwritten basis. There will be no excess application arrangements in relation to the Rights Issue.

In the event of an undersubscription of the Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be first placed on a best efforts basis by the Placing Agent to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will then be underwritten by the Underwriter on a best effort basis pursuant to the Underwriting Agreement. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed and not underwritten will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 month period immediately preceding the date of this announcement, the Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholder(s) of the Company and their associates, or where there are no controlling shareholder(s), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the date of this announcement, Mr. Ouyang Chengguo, the father of Mr. Ouyang Jianwen (an executive Director), is interested in 3,155,400 Shares (representing approximately 7.30% of the total issued Shares as at the date of this announcement). Accordingly, Mr. Ouyang Jianwen, Mr. Ouyang Chengguo and their respective associates, who in aggregate hold 3,155,400 Shares (representing approximately 7.30% of the total issued Shares as at the date of this announcement), shall abstain from voting in favour of the resolution(s) approving the Rights Issue and the transactions contemplated thereunder at the EGM.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor.

The Circular containing, among other things, further information regarding the Rights Issue, a letter of recommendation from the Independent Board Committee, a letter of advice from the independent financial adviser, and the notice of EGM is expected to be despatched to the Shareholders on or before Friday, 27 November 2026.

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

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. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company should note that each of the Rights Issue and the Placing is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue and/or the Placing are not fulfilled, the Rights Issue and/or the Placing will not proceed.

The Rights Issue is only underwritten on a best effort basis and is not on a fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue or the Placing under the Compensatory Arrangements. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, subject, however, to any scaling down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Underwriting Agreement contains detailed conditions and events which may cause the Underwriting Agreement to be terminated by the Underwriter. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events after dealings in the rights in nil-paid form have commenced. Please refer to the section headed "The Underwriting Agreement – Termination" in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date when all the conditions of the Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be Tuesday, 26 January 2027, will accordingly bear the risk that the Rights Issue and/or the Placing may not proceed.

Any Shareholder or other person contemplating transferring, selling, or purchasing Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

I. PROPOSED RIGHTS ISSUE

The Company proposes to conduct the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. 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) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.463 per Rights Share
Net Price Per Share	:	Approximately HK$0.437 per Rights Share
Gross Proceeds	:	Approximately HK$60.0 million
Net Proceeds	:	Approximately HK$56.62 million
No Excess	:	There will be no excess application arrangements in relation to the Rights Issue.
Compensation Arrangement	:	The placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best efforts basis pursuant to the Placing Agreement.
Number of Shares in issue as at the date of this announcement	:	43,200,000 Shares
Number of Rights Shares (Shares to be issued pursuant to the Rights Issue)	:	Up to 129,600,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 136,272,000 Rights Shares (assuming Shares are allotted and issued upon full exercise of the outstanding Share Options and no other change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 172,800,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 181,696,000 Shares (assuming Shares are allotted and issued upon full exercise of the outstanding Share Options and no other change in the number of Shares in issue on or before the Record Date)

Gross proceeds from the Rights Issue	:	Up to approximately HK$60.0 million (assuming no change in the number of Shares in issue on or before the Record Date) or approximately HK$63.1 million (assuming Shares are allotted and issued upon full exercise of the outstanding Share Options and no other change in the number of Shares in issue on or before the Record Date)

Save for the 2,224,000 outstanding Share Options granted under the Share Option Scheme (entitling the holders thereof to subscribe for up to an aggregate of 2,224,000 Shares at an exercise price of HK$1.07 per Share), as at the date of this announcement, the Company has no other outstanding options, derivatives, warrants or other securities in issue which are convertible into, or give rights to subscribe for, convert or exchange into, any Shares.

Assuming no change in the number of Shares in issue on or before the Record Date:

(i) the aggregate 129,600,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 300% of the total number of issued Shares (i.e. 43,200,000 Shares); and

(ii) approximately 75% of the total number of issued Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

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

Subscription Price

The Subscription Price of HK$0.463 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, or where a transferee of the nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 29.31% to the closing price of HK$0.655 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 28.55% to the average closing price of HK$0.648 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 28.27% to the average closing price of HK$0.6455 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 21.99%, represented by the theoretical diluted price of approximately HK$0.511 per Share to the benchmarked price of HK$0.655 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares on the Last Trading Day; and (ii) the average closing price of the Shares for the five (5) consecutive trading days prior to the date of this announcement).

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed "Reasons for and Benefits of the Rights Issue and Use of Proceeds", and the amount of funds the Company intends to raise under the Rights Issue.

Under 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 Company considers that the discount of the Subscription Price to the current market price will encourage them to participate in the Rights Issue, minimising dilution impact.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the independent financial adviser) consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the best interests of the Company and the Shareholders as a whole.

Underwritten on a best effort basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a best effort underwritten basis. In the event of an under-subscription of the Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be first placed on a best efforts basis by the Placing Agent to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will then be underwritten by the Underwriter on a best effort basis pursuant to the Underwriting Agreement. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed and not underwritten 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. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue or the Placing under the Compensatory Arrangements.

As the Rights Issue will proceed on a best effort underwritten basis (rather than fully underwritten), a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

Conditions of the Rights Issue

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

(i) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(ii) the electronic submission of the Prospectus Documents for authorisation by the Stock Exchange and registration by the Registrar of Companies in Hong Kong not later than the Prospectus Posting Date;

(iii) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue;

(iv) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);

(v) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;

(vi) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;

(vii) the Placing Agreement not being terminated on or before the Latest Time for Termination;

(viii) the Underwriting Agreement is not terminated in accordance with the terms of the Underwriting Agreement; and

(ix) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent is capable of being waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Tuesday, 26 January 2027 (or such other time as may be agreed between the Company and the Underwriter), the Placing Agreement and Underwriting Agreement shall terminate and the Rights Issue will not proceed and no party under the Placing Agreement and the Underwriting Agreement will have any claim against any other party for costs, damages, compensations or otherwise. As at the date of this announcement, none of the conditions have been fulfilled.

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

Undertakings

As at the date of this announcement, the Company does not have any substantial shareholder and the Company has not received any information or irrevocable undertaking from any shareholder of the Company of their intention to take up any Shares provisionally (or to be provisionally) allotted or offered to that Shareholder under the Rights Issue.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

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

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Wednesday, 23 December 2026.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Monday, 21 December 2026, and the Shares will be dealt with on an ex-rights basis from Tuesday, 22 December 2026.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the date of this announcement, there are no Overseas Shareholders on the register of members of the Company. In the event that Overseas Shareholder(s) is/are identified on the Record Date, the Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Issue to such Overseas Shareholder(s), if any under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on the legal advice to be provided by the legal advisor of the Company, the Board considers that it would be necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the Rights Issue will not be extended to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

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 Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, and subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will despatch the Prospectus only to the Non-Qualifying Shareholders on the Prospectus Posting Date for their information, but will not send any PAL to them.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Closure of register of members

The register of members of the Company will be closed from Thursday, 24 December 2026 to Thursday, 31 December 2026 (both dates inclusive) for determining the identity of Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

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 close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Shares as a result of the Rights Issue, the Company will appoint a securities firm to provide matching services, on a best efforts basis, to those Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Tuesday, 2 February 2027 to 4:00 p.m. on Wednesday, 24 February 2027 (both dates inclusive). Holders of the Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may do so directly or through their broker during such period. Further details in respect of the arrangement of odd lot trading will be set out in the Prospectus.

Shareholders should note that the matching of the sale and purchase of odd lots of Shares is not guaranteed. Shareholders who are in any doubt about the odd lot matching arrangement are recommended to consult their own professional advisers.

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

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering such Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. On 11 November 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement in relation to the placing of the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares) to independent placees on a best efforts basis.

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best efforts 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. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain which not placed after completion of the Placing 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 the Non-Qualifying Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

(i) 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

(ii) 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 Shareholders and Non-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

Placing Agreement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares

On 11 November 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure independent placee(s), on a best efforts basis, to subscribe for the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares). Details of the Placing Agreement are summarised below:

Date	:	11 November 2026 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Pinestone Securities Limited, a licenced corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Placing Agent to procure, on a best efforts basis, independent placees to subscribe for the Placing Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from Friday, 22 January 2027 and ending at 4:00 p.m. on Tuesday, 26 January 2027, or such later date/time as may be agreed between the Company and the Placing Agent in writing, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
Commission and expenses	:	The Placing Agent shall be entitled to a commission fee equal to 3.5% of the amount which is equal to the placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent.
Placing price	:	The placing price of each Placing Share shall be not less than the Subscription Price. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of Placing.
Placees	:	The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

The Placing Agent shall, based on the representations by the Placees, confirm that none of the Placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other Placees. The Placing Agent will ensure that none of the Placees (when aggregated with their respective associates) will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing and that each of the Placees and their respective ultimate beneficial owners are Independent Third Parties.

The Placing Agent also undertakes to use its best endeavours to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholders will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the public float requirement under the Listing Rules upon completion of the Placing and the Rights Issue.

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

Conditions Precedent : Completion of the Placing is conditional upon:

(i) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and such approval not having been withdrawn or revoked;

(ii) the passing by the Independent Shareholders at the EGM of the resolutions to approve, among other matters, the Rights Issue and the transactions contemplated thereunder;

(iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;

(iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion of the Placing, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it were repeated as at the time of the completion of the Placing; and

(v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions precedent is capable of being waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Tuesday, 26 January 2027 (or such later date/time as may be agreed in writing between the Company and the Placing Agent), the Placing Agreement shall terminate and the Rights Issue will not proceed and no party under the Placing Agreement will have any claim against the other party save for any antecedent breach under the Placing Agreement. As at the date of this announcement, none of the conditions have been fulfilled.

Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or would materially prejudice the success of the Placing or full placement of all of the Placing Shares or otherwise make it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

(a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; 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 otherwise; or

(c) 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 Company; or

(d) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or

(e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Placing Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(f) the Placing Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any placees as contemplated in the Placing Agreement.

Placing Completion : Completion is expected to take place on the fourth Business Days immediately following (but excluding) the Latest Time for Termination (or such other date as the Company and the Placing Agent may determine) subject to the fulfilment of the conditions precedent to the Placing Agreement.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to extend the time for fulfilment of such conditions), then the Placing will lapse and all 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 or antecedent breach thereof.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement in respect of the Placing Shares (including the commission and expenses payable) are on normal commercial terms and are in the best interest of the Company and the Shareholders as a whole.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders.

The Company will ensure that it will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules after the Rights Issue and the Placing. After the Placing Period, it is expected that none of the placees will become a substantial Shareholder. If any of the placees will become a substantial Shareholder after completion of the Placing and Rights Issue, further announcement(s) will be made by the Company.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the best interests of the Company's minority Shareholders since:

(i) the arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders and Non-Qualifying Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders and Non-Qualifying Shareholders. The commission payable to the Placing Agents and the related fees and expenses in relation to such placing will be borne by the Company;

(ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by the Placing Agent which is licensed and subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The terms and the conditions of the Placing Agreement (including the placing commission) are normal commercial terms and are in the best interest of the Company and the Shareholders as a whole; and

(iii) the Compensatory Arrangements would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable.

The Underwriting Agreement

On 11 November 2026 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement, pursuant to which the Underwriter has agreed to underwrite, on a best effort basis, any Unsubscribed Rights Shares not taken up as valid acceptance in the Rights Issue whether by PAL(s) or subscribed by placees under the Compensatory Arrangements. Details of the Underwriting Agreement are summarised below:

Date	:	11 November 2026 (after trading hours)
Issuer	:	The Company
Underwriter	:	Pinestone Securities Limited, a licenced corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO, was appointed as the Underwriter to procure, on a best efforts basis, independent placees to subscribe for the Placing Shares during the Placing Period. The Company confirms that the Underwriter satisfies the requirements under Rule 7.19(1)(a) of the Listing Rules.
Number of underwritten Shares	:	The Underwriter has agreed to underwrite, on a best effort basis, any Unsubscribed Rights Shares not taken up as valid acceptance in the Rights Issue whether by PAL(s) or subscribed by placees under the Compensatory Arrangements. The Underwriter undertakes to the Company that each of the subscribers of the underwritten Shares procured by it (i) shall be Independent Third Party; (ii) shall not, together with any party acting in concert, hold such number of Shares which will trigger a mandatory offer obligation under rule 26 of the Takeovers Code upon completion of the Rights Issue; and (iii) shall not become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Rights Issue and the Underwriter shall use its best endeavours to procure that minimum public float requirement under the Listing Rules be fulfilled by the Company upon completion of the Rights issue.

Commission and expenses : The Underwriter shall be entitled to an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the actual number of the underwritten Shares subscribed or procured subscription by the Underwriter. The Company shall also make payments for such reasonable legal fees and other reasonable out-of-pocket expenses and disbursements of the Underwriter in respect of the Rights Issue, if any, in actual incurrence or accrual basis.

Conditions Precedent : The Rights Issue is conditional upon, among others, the following conditions:

(i) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(ii) the electronic submission of the Prospectus Documents for authorisation by the Stock Exchange and registration by the Registrar of Companies in Hong Kong not later than the Prospectus Posting Date;

(iii) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue;

(iv) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);

(v) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;

(vi) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;

(vii) the Placing Agreement not being terminated on or before the Latest Time for Termination;

(viii) the Underwriting Agreement is not terminated in accordance with the terms of the Underwriting Agreement; and

(ix) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

Termination : If prior to the Latest Time for Termination:

(a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

(i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

(ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

(b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or

(d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or

(e) the Prospectus or circular or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter are material to the Group as a whole and are likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it,

the Underwriter shall at its sole and absolute discretion be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The terms of the Underwriting Agreement (including the underwriting commission) were determined after arm's length negotiations between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board considers the terms of the Underwriting Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

No Fractional Entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully paid Rights Shares are expected to be posted on or before Monday, 1 February 2027 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Monday, 1 February 2027 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and 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.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 2,000 Shares.

II. RIGHTS SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders 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.

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

Current financial position of the Group

The Group is principally engaged in the provision of marine construction works (principally specialising in reclamation works, submarine pipeline works, and sediment treatment works), vessel chartering services, and other civil engineering works in Hong Kong. In addition, the Group has expanded its business scope to include the provision of health and wellness services.

As disclosed in the annual report of the Company for the financial year ended 31 May 2026 (the "**2025/2026 Annual Report**"), cash and cash equivalents amounted to approximately HK$15.84 million, whereas lease liabilities amounted to approximately HK$1.38 million and trade and other payables amounted to approximately HK$15.33 million as at 31 May 2026.

Further, for the year ended 31 May 2026, the revenue of the Group amounted to approximately HK$108.8 million, representing a decrease of approximately 46.4% as compared to the corresponding prior year, and the gross loss of the Group amounted to approximately HK$2.51 million.

As disclosed in the 2025/2026 Annual Report of the Company, the management of the Company has been proactively undertaking a number of measures to mitigate liquidity pressure and improve the financial position of the Group. In order to create flexibility for potential equity fund-raising and improve its capital structure, the Company has recently implemented the Capital Reorganisation. Given that the existing cash and cash equivalents of the Group (being approximately HK$15.84 million as at 31 May 2026 and approximately HK$10.26 million as at 30 September 2026) are primarily reserved to support ongoing daily operations (which included the payment of staff costs, subcontracting costs, material costs and rental of vessels and equipment), such existing cash balance is estimated to be sufficient to support the Group's ongoing daily operations up to July 2027. The Rights Issue is proposed to allocate necessary capital to execute ongoing and upcoming projects, to satisfy the Group's specific funding needs for the expansion of new contracts and the replenishment of general working capital. Concurrently, this approach provides Qualifying Shareholders with an equal opportunity to maintain their proportionate shareholdings in the Company, avoiding the immediate dilution commonly associated with alternative equity financing methods such as placements. In addition, the Group has been taking active operational steps including: (i) implementing various strategies to improve the cash flow status; (ii) putting extra efforts on the collection of trade debtors to improve the debtors turnover days; (iii) actively seeking opportunities to engage in new construction projects; and (iv) monitoring and controlling administrative costs and future capital expenditures. That being said, the above measures will inevitably take time to fully materialise and yield cash inflows. As such, the Group still faces an immediate need for financial resources to satisfy its ongoing operational requirements and replenish its general working capital. While proactively progressing with the operational and strategic initiatives outlined above, the Board considers that the Rights Issue will assist in reducing the immediate financial burden of the Group significantly, strengthening its financial and liquidity position, and providing necessary working capital to support the sustainable development of the Group's businesses.

Business development of the Group

The Group is a Hong Kong-based marine construction works subcontractor specialising in reclamation works. The Group also engages in vessel chartering services, other civil engineering work and health and wellness services. Set out below is a summary of the segment revenue and segment gross profit/loss of the Group each of the financial year ended 31 May 2024 ("**FY2023/24**"), 31 May 2025 ("**FY2024/25**") and 31 May 2026 ("**FY2025/26**"):

	FY2023/24	**FY2024/25**	**FY2025/26**
	HK$'000	*HK$'000*	*HK$'000*
	Audited	Audited	Audited
Segment revenue			
Marine construction	186,432	154,445	56,787
Other civil engineering	10,804	37,250	50,446
Vessel chartering	21,470	7,186	57
Health and wellness	4,625	3,904	1,512
Total	223,331	202,785	108,802
Segment gross profit/(loss)			
Marine construction	(32,841)	(20,224)	(15,184)
Other civil engineering	(9,295)	3,174	11,892
Vessel chartering	8,474	2,417	57
Health and wellness	1,798	959	722
Total	(31,864)	(13,674)	(2,513)

The marine construction segment, being the largest business segment of the Group in recent years, has continued to face challenges resulting from fierce market competition and elevated technical requirements for bidding. The Group has recorded a decrease in both the number of contracts and total contract amounts in marine construction segment. The table below sets out the number and value of contracts in the marine construction segment entered by the Group in each of FY2023/24, FY2024/25 and FY2025/26:

	FY2023/24	**FY2024/25**	**FY2025/26**
Number of contracts	5	9	3
Total contract sum	HK$327.5 million	HK$358.2 million	HK$270.2 million
Number of contracts on hand as at 31 May	5	3	2

Besides, the Group has recorded a gross loss from the marine construction segment during all three financial years of FY2023/24, FY2024/25 and FY2025/26. Such gross loss was mainly attributable to the challenges encountered during the construction work. For example, different marine construction projects may involve numerous complexities, particularly in terms of piling works and lifting operation using vessels. The weather conditions, such as strong winds, sea level and turbulent sea waves, posed additional difficulties during the drilling, bored casting and lifting process on the seabed. All these unfavorable conditions not only impacted the planning and execution of the construction but also affected resource utilisation, including the standby time of staff, machinery, and vessels. These unforeseen difficulties and unfavorable circumstances led to a gross loss of the marine construction projects in recent years. In view of the above, the Group will adopt a prudent and cautious approach when assessing prospective marine construction opportunities and rigorous site-specific risk evaluations into project tendering. Simultaneously, the Group has also tried to expand its other business segments. Other civil engineering segment is the second largest segment of the Group (in terms of revenue) during the recent two years of FY2024/25 and FY2025/26. In addition, the Group's other civil engineering segment has recorded gross profit in both FY2024/25 and FY2025/26. The management of the Company (the "**Management**") considered that this business segment possesses fewer uncertainties as compared to marine construction contracts and is therefore easier to be managed. These are also reflected in the gross profit situation of other civil engineering segment as compared to the gross loss situation of the marine construction segment. The table below sets out the number and value of contracts in other civil engineering segment entered by the Group in each of FY2023/24, FY2024/25 and FY2025/26:

	FY2023/24	**FY2024/25**	**FY2025/26**
Number of contracts	3	1	4
Total contract sum	HK$166.7 million	HK$40.0 million	HK$76.2 million
Number of contracts on hand as at 31 May	1	1	1

In addition, the Group is in the final stages of negotiation for a potential civil engineering contract relating to a property development project. If successfully secured, the estimated contract sum is expected to reach approximately HK$100 million. Unlike traditional marine construction contracts, which typically involve progressive billing based on work milestones, this civil engineering project requires an immediate upfront payment of HK$20 million within two months of contract execution as a strict prerequisite to project commencement; without securing such requisite funding, the Group would be unable to commence the works and would not be obliged to execute the project. As at the date of this announcement, such contract has not been signed. According to the latest discussions, the Group intends to sign the contract before the end of this year, depending on the results of the amounts of funds raised from the Rights Issue. The Group also plans to secure other similar contracts for the development of the other civil engineering business.

In addition to revitalizing its core marine construction segment, the Group intends to expand its civil engineering portfolio, including foundation and piling works for commercial and residential buildings in Hong Kong, among other opportunities. The Group is actively identifying other viable projects, including marine construction and/or civil engineering projects to expand its project portfolio. As at the date of this announcement, save for the aforementioned potential contract with an estimated sum of approximately HK$100 million which the Group is striving to execute by the end of 2026, the Group is not in advanced negotiations for any other specific contracts. The Company is now in discussion with other contractors for three or more potential contracts. Based on the latest progress of negotiation, the Company estimates that additional working capital of approximately HK$30 million to HK$35 million would be required. It is estimated that the Group will, subject to the availability of funds and results of tender, enter into contracts for these projects in the first half of 2027. Considering the recent level of cash and cash equivalents of the Group and the time required for the normal cycle of these kinds of marine construction and civil engineering contracts, the Company considers that further amounts will be required for the Group to secure the aforementioned potential projects in 2027. The Company currently expects that an amount of HK$33 million from the net proceeds from the Rights Issue will be utilised for securing these potential projects. In the event that the Group is unable to enter into the aforesaid contracts, the Group expects to utilize the proceeds from the Rights Issue intended for the aforesaid contracts to seek alternative new contracts.

Consideration of other fund-raising alternatives and benefits of the Rights Issue

The Management has considered other equity fund-raising alternatives, including a placing of new Shares and an open offer. A placing would dilute the shareholding interests of existing Shareholders who do not participate, without offering all existing Shareholders an opportunity to participate on a pro rata basis. An open offer would also allow Qualifying Shareholders to participate on a pro rata basis, but its subscription entitlements are not transferable. In contrast, the Rights Issue allows Qualifying Shareholders who do not wish, or are unable, to take up all or part of their entitlements to sell the corresponding nil-paid Rights Shares in the market, subject to market conditions, and realise their value, if any.

Taking into account the Group's funding needs and the greater flexibility afforded to Qualifying Shareholders, the Board considers the Rights Issue an appropriate equity fund-raising method in the current circumstances. The Company expects that the Rights Issue will bring the following benefits:

(i) Provision of funding for new contracts

The Rights Issue represents a plan by the Group to raise funds to satisfy its funding needs for the expansion of new contracts under the marine construction and civil engineering segment. The background of and reasons for carrying out the civil engineering contracts are detailed in the section headed "Business development of the Group" above. The Rights Issue also represents an integral part of the Group's capital allocation strategy to reinforce its core marine construction segment, providing the requisite working capital to mitigate operational challenges and support profitable project execution.

(ii) Replenishment of working capital

As detailed in the section headed "Intended use of proceeds from the Rights Issue" below, approximately 6.4% of the maximum net proceeds from the Rights Issue will be utilised by the Group for general working capital purposes. As at 31 May 2026, the Group had cash and cash equivalents of approximately HK$15.8 million, and the Group's net current assets amounted to approximately HK$31.0 million only. The proceeds from the Rights Issue would help to replenish the Group's working capital.

(iii) Opportunity for existing shareholders to maintain their shareholding

The Rights Issue provides all Qualifying Shareholders with an equal opportunity to subscribe for Rights Shares in proportion to their existing shareholdings and thereby maintain their proportionate shareholding interests in the Company, subject to the scaling-down arrangements described in this announcement.

Intended use of proceeds from the Rights Issue

Assuming full subscription under the Rights Issue, the maximum gross and net proceeds (after deducting related expenses) from the Rights Issue are estimated to be approximately up to HK$60.0 million and HK$56.62 million, respectively. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

(i) Approximately 35.3% (being approximately HK$20 million) for the upfront deposits and initial working capital required for the execution of potential civil engineering contract currently under negotiation, which is expected to be fully utilised by 28 February 2027;

(ii) Approximately 58.3% (being approximately HK$33 million) for the business development and expansion of the marine construction segment and/or other civil engineering segment, including tendering for and securing additional new contracts, relevant daily operational expenses, and necessary administrative expenses as a result of new contracts to be signed (such as the costs of procuring construction materials, rental of site equipment, direct labour costs and payments to subcontractors) which is expected to be fully utilised by 31 May 2027; and

(iii) Approximately 6.4% (being approximately HK$3.62 million) as general working capital of the Group, including but not limited to its daily operational expenses such as staff costs and employee benefits, professional fees (such as lawyer, printer, financial adviser and valuer fees, etc.) rental expenses, which is expected to be fully utilised by 30 September 2027.

In the event that there is an under subscription of the Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

IV. EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Completion (assuming full acceptance by all Qualifying Shareholders under the Rights Issue); (iii) immediately after the Completion (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing); and (iv) immediately upon completion of the Rights Issue, assuming (a) no subscription by the Qualifying Shareholders; (b) none of the Placing Shares are placed under the Placing; and (c) all the remaining Rights Shares are subscribed for by the Subscribers procured by the Underwriter pursuant to the Underwriting Agreement *(Note 1)*:

Scenario 1: Assuming no change in the number of issued Shares on or before the Record Date

	As at the date of this announcement		**Immediately upon the completion of the Rights Issue (assuming full acceptance by the Qualifying Shareholders under the Rights Issue)**		**Immediately upon the completion of the Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)**		**Immediately upon completion of the Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; (b) none of the Placing Shares are placed under the Placing; and (c) all the remaining Rights Shares are subscribed for by the Subscribers pursuant to the Underwriting Agreement)** *(Note 1)*	
	Number of Shares	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*
Shareholders								
Mr. Ouyang Chengguo *(Note 2)*	3,155,400	7.3	12,621,600	7.3	3,155,400	1.83	3,155,400	1.83
Public Shareholders								
Placees *(Note 4)*	–	–	–	–	129,600,000	75	–	–
Subscribers pursuant to the Underwriting Agreement *(Note 1)*	–	–	–	–	–	–	129,600,000	75
Other public Shareholders	40,044,600	92.7	160,178,400	92.7	40,044,600	23.17	40,044,600	23.17
Total	**43,200,000**	**100**	**172,800,000**	**100**	**172,800,000**	**100**	**172,800,000**	**100**

Scenario 2: Assuming Shares are allotted and issued upon full exercise of the outstanding Share Options and no other change in the number of issued Shares on or before the Record Date

	As at the date of this announcement		Immediately upon the completion of the Rights Issue (assuming full acceptance by the Qualifying Shareholders under the Rights Issue)		Immediately upon the completion of the Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)		Immediately upon completion of the Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; (b) none of the Placing Shares are placed under the Placing; and (c) all the remaining Rights Shares are subscribed for by the Subscribers pursuant to the Underwriting Agreement) *(Note 1)*	
	Number of Shares	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*	*Number of Shares*	*Approx %*
Shareholders								
Mr. Ouyang Chengguo *(Note 2)*	3,155,400	6.95	12,621,600	6.95	3,155,400	1.74	3,155,400	1.74
Mr. Ouyang Jianwen *(Note 2)*	300,000	0.66	1,200,000	0.66	300,000	0.17	300,000	0.17
Mr. Luo Hao *(Note 3)*	300,000	0.66	1,200,000	0.66	300,000	0.17	300,000	0.17
Public Shareholders								
Placees *(Note 4)*	–	–	–	–	136,272,000	75	–	–
The Subscribers pursuant to the Underwriting Agreement *(Note 1)*	–	–	–	–	–	–	136,272,000	75
Other public Shareholders	41,668,600	91.73	166,674,400	91.73	41,668,600	22.92	41,668,600	22.92
Total	**45,424,000**	**100**	**181,696,000**	**100**	**181,696,000**	**100**	**181,696,000**	**100**

Notes:

1. The Rights Issue is underwritten on a best effort basis. Full subscription of the remaining Rights Shares under the Underwriting Agreement is assumed for illustrative purposes only and is not guaranteed. The Underwriter undertakes to the Company that each of the subscribers of the underwritten Shares procured by it shall be Independent Third Party and shall not become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Rights Issue and the Underwriter shall use its best endeavours to procure that minimum public float requirement under the Listing Rules be fulfilled by the Company upon completion of the Rights Issue. It is further expected that none of such subscribers, together with any party acting in concert with them, will hold such number of Shares which will trigger a mandatory general offer obligation under Rule 26 of the Takeovers Code upon completion of the Rights Issue.

2. Mr. Ouyang Chengguo is the father of Mr. Ouyang Jianwen, an executive Director of the Company.

3. Mr. Luo Hao is an executive Director of the Company.

4. The Placing Agent will ensure that none of the Placees (when aggregated with their respective associates) will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing and that each of the Placees and their respective ultimate beneficial owners are Independent Third Parties and the Placing Agent also undertakes to use its best endeavours to procure that the Company will continue to comply with the public float requirement under the Listing Rules upon completion of the Placing and the Rights Issue.

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

6. For illustrative purposes, the shareholding scenarios above assume that there are no Non-Qualifying Shareholders on the Record Date.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

V. EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

(i) Use of proceeds from 2025 Placing

References are made to the announcement dated 21 November 2025 in relation to the completion of the 2025 Placing under general mandate. The Placing Agent successfully placed 60,000,000 Placing Shares, representing approximately 16.67% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the 2025 Placing. The net proceeds from the 2025 Placing (after deduction of placing commission and other related expenses) amounted to approximately HK$6.93 million. As at the date of this announcement, all the net proceeds had been fully utilised for the general working capital of the Group as intended, which were applied as to approximately 60% for salary and wages, approximately 30% for legal and professional fees, and approximately 10% for rental expenses.

(ii) Use of proceeds from 2026 Placing

References are made to the announcement dated 11 May 2026 in relation to the completion of the Placing under general mandate. As at the date of this announcement, the net proceeds from the 2026 Placing were utilized as follows:

	Allocation of the net proceeds *HK$'000*	**Percentage of the net proceeds** *%*	**Utilised amount at the date of this announcement** *HK$'000*	**Unutilised amount at the date of this announcement** *HK$'000*	**Estimated completion of utilisation**
General working capital purpose	6,900	100.0	6,100	800	By 30 November 2026
Total	6,900	100.0	6,100	800	

The remaining unutilised net proceeds of HK$800,000 are expected to be applied for the general working capital of the Group (such as payment of staff costs, rental expenses and daily administrative expenses) by 30 November 2026. As at the date of this announcement, such unutilised net proceeds are placed in licensed banks in Hong Kong.

VI. TAXATION

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of, any person resulting from subscribing for, purchasing, holding, exercising, disposing of or dealings in any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

VII. EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	**Date**
Despatch date of the Circular together with notice of EGM and proxy form for EGM	Friday, 27 November 2026
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 11 December 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Monday, 14 December 2026 to Thursday, 17 December 2026
Latest time for lodging proxy forms for the EGM	11:30 a.m. on Tuesday, 15 December 2026

Event	Date
Record date for attendance and voting at the EGM	Thursday, 17 December 2026
Date and time of the EGM to approve the proposed Rights Issue	11:30 a.m. on Thursday, 17 December 2026
Announcement of the poll results of the EGM	Thursday, 17 December 2026
Register of members of the Company re-opens	Friday, 18 December 2026

The following events are conditional upon the results of the EGM and the fulfilment of the other conditions relating to the Rights Issue, and therefore the dates are tentative only:

Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue	Monday, 21 December 2026
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Tuesday, 22 December 2026
Latest time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 23 December 2026
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	Thursday, 24 December 2026 to Thursday, 31 December 2026
Record Date for the Rights Issue	Thursday, 31 December 2026
Despatch date of the Prospectus Documents to Qualifying Shareholders, and in the case of the Non-Qualifying Shareholders, the Prospectus only	Monday, 4 January 2027
Register of members of the Company re-opens	Monday, 4 January 2027
First day of dealings in nil-paid Rights Shares	Wednesday, 6 January 2027

Event	Date
Latest time for splitting the PAL	4:30 p.m. on Friday, 8 January 2027
Last day of dealings in nil-paid Rights Shares	Wednesday, 13 January 2027
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 18 January 2027
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Monday, 18 January 2027
Announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 21 January 2027
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and NQS Unsold Rights Shares available)	Friday, 22 January 2027
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	4:00 p.m. on Tuesday, 26 January 2027
Latest time for the Rights Issue to become unconditional and the Placing Long Stop Date	4:00 p.m. on Tuesday, 26 January 2027
Announcement of results of the Rights Issue (including the results of the Placing and the Net Gain)	Friday, 29 January 2027
Rights Issue settlement and Placing completion date	Monday, 1 February 2027
Despatch of share certificates for fully-paid Rights Shares and/or refund cheques if terminated	Monday, 1 February 2027

Event	Date
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 2 February 2027
Designated broker commences to provide matching service for odd lots of Shares	Tuesday, 2 February 2027
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Tuesday, 16 February 2027
Designated broker ceases to provide matching service for odd lots of Shares	4:00 p.m. on Wednesday, 24 February 2027

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

VIII. EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

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

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warning 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 for the Rights Issue" in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IX. LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the date of this announcement, the Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholder(s) of the Company and their associates, or where there are no controlling shareholder(s), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the date of this announcement, the Company does not have any controlling shareholders. Mr. Ouyang Chengguo, the father of Mr. Ouyang Jianwen (an executive Director), is interested in 3,155,400 Shares (representing approximately 7.30% of the total issued Shares as at the date of this announcement). Accordingly, Mr. Ouyang Jianwen, Mr. Ouyang Chengguo and their respective associates, who in aggregate hold 3,155,400 Shares (representing approximately 7.30% of the total issued Shares as at the date of this announcement), shall abstain from voting in favour of the resolution(s) approving the Rights Issue and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. Save as disclosed above, as at the date of this announcement, none of the Directors or chief executive of the Company had any interest in the Shares.

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

X. ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wan San Fai Vincent, Mr. Wen Xiaoxiao and Mr. Yin Jun, to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor.

EGM

The register of members of the Company will be closed from Monday, 14 December 2026 to Thursday, 17 December 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The EGM will be convened and held to consider and, if thought fit, approve, the Rights Issue and the transactions contemplated thereunder. Shareholders who are involved in or interested in the Rights Issue (including Mr. Ouyang Jianwen, Mr. Ouyang Chengguo and their respective associates as disclosed above) will be required to abstain from voting in respect of the resolution(s) to approve the Rights Issue at the EGM. As at the date of this announcement, Mr. Ouyang Chengguo held 3,155,400 Shares, representing approximately 7.30% of the issued share capital of the Company, while Mr. Ouyang Jianwen did not hold any issued Shares.

XI. GENERAL

The Circular containing, among other things, (i) further information regarding the Rights Issue and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (iv) other information required under the Listing Rules; and (v) the notice of the EGM is expected to be despatched to the Shareholders on or before Friday, 27 November 2026.

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Monday, 4 January 2027. A copy of the Prospectus will also be made available on the websites of the Stock Exchange (www.hkexnews.hk). 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 copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL to them.

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

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. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company should note that each of the Rights Issue and the Placing is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue and/or the Placing are not fulfilled, the Rights Issue and/or the Placing will not proceed.

The Rights Issue is only underwritten on a best effort basis and is not on a fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue or the Placing under the Compensatory Arrangements. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, subject, however, to any scaling down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Underwriting Agreement contains detailed conditions and events which may cause the Underwriting Agreement to be terminated by the Underwriter. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events after dealings in the rights in nil-paid form have commenced. Please refer to the section headed "The Underwriting Agreement – Termination" in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date when all the conditions of the Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be Tuesday, 26 January 2027, will accordingly bear the risk that the Rights Issue and/or the Placing may not proceed.

Any Shareholder or other person contemplating transferring, selling, or purchasing Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

XII. DEFINITIONS

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

"Announcement"	the announcement of the Company dated 11 November 2026 in relation to, among other things, the Rights Issue and the transactions contemplated thereunder
"associate(s)"	has the same meaning ascribed to thereto under the Listing Rules
"Board"	the Board of Directors

"Business Day(s)"	a day (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or a "black" rainstorm warning signal is in force or remains in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Capital Reorganisation"	collectively, the share consolidation, the capital reduction and the share sub-division, as detailed in the announcement of the Company dated 2 September 2026
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the circular to be despatched to the Shareholders by the Company, relating to, among other things, the Rights Issue
"Companies Act"	means the Companies Act (As Revised) of the Cayman Islands and any statutory amendment or re-enactment thereof
"Company"	Tian Cheng Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2110)
"Compensatory Arrangements"	placing of the Placing Shares by the Placing Agent
"Completion"	completion of the Rights Issue
"connected person(s)"	has the same meaning ascribed to thereto under the Listing Rules
"controlling shareholder(s)"	has the same meaning ascribed to thereto under the Listing Rules
"Director(s)"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Rights Issue and the transactions contemplated thereunder

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor
"Independent Shareholder(s)"	Shareholder(s) excluding (i) any controlling shareholder and their associates; (ii) where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates; (iii) those who are involved in or interested in the Rights Issue and the Placing Agreement (as the case may be); and (iv) those that are required under the Listing Rules to abstain from voting at the EGM
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
"Last Trading Day"	11 November 2026, being the last full trading day of the Shares on the Stock Exchange prior to the release of this announcement
"Latest Time for Acceptance"	4:00 p.m. on Monday, 18 January 2027, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares
"Latest Time for Termination"	the latest time for termination of the Placing Agreement and the Underwriting Agreement, being 4:00 p.m. on Tuesday, 26 January 2027, or such other time and date as the Company and the Placing Agent and the Underwriter may agree in writing

"Listing Committee"	the listing committee of the Stock Exchange for considering application for listing and the granting of listing
"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 Placing Shares placed by the Placing Agent under the Placing Agreement
"No Action Shareholder(s)"	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
"NQS Unsold Rights Share(s)"	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) which is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
"Placing"	the placing of the Placing Shares on a best-effort basis by the Placing Agent and/or its sub-placing agent(s) to independent placees on the terms and conditions of the Placing Agreement

"Placing Agent" or "Underwriter"	Pinestone Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO
"Placing Agreement"	the placing agreement dated 11 November 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
"Placing Completion date"	the fourth Business Day immediately following the Latest Time for Termination (or such other date as the Company and the Placing Agent may determine), being the date on which the Placing is completed
"Placing Long Stop Date"	4:00 p.m. on Tuesday, 26 January 2027 or such later date as the Company and the Placing Agent may agree in writing
"Placing Period"	the period commencing from Friday, 22 January 2027 and ending at 4:00 p.m. on Tuesday, 26 January 2027, or such later date/time as may be agreed between the Company and the Placing Agent in writing, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Share(s)"	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s)
"PRC"	the People's Republic of China, and for the purpose of this announcement, shall exclude 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"	the Prospectus and the PAL to be issued by the Company
"Prospectus Posting Date"	Monday, 4 January 2027, or such other date as the Company may determine, for the despatch of the Prospectus Documents
"Qualifying Shareholder(s)"	Shareholder(s) who(se) name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)

"Rights Issue"	the proposed issue by way of rights 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 to be set out in the Prospectus Documents
"Record Date"	Thursday, 31 December 2026, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
"Registrar"	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Share(s)"	Up to 129,600,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 136,272,000 Rights Shares (assuming Shares are allotted and issued upon full exercise of the outstanding Share Options and no other change in the number of Shares in issue on or before the Record Date)
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of par value HK$0.10 each in the share capital of the Company
"Share Option"	the outstanding share option(s) granted under the Share Option Scheme to subscribe for Shares
"Share Option Scheme"	the share option scheme adopted by the Company on 13 November 2020
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.463 per Rights Share

"Subscriber(s)"	the subscriber(s) of the Underwritten Shares procured by the Underwriter pursuant to the Underwriting Agreement, who shall be Independent Third Party(ies)
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
"Underwriting Agreement"	the underwriting agreement dated 11 November 2026 entered into between the Company and the Underwriter in relation to the Rights Issue
"Underwritten Shares"	up to 129,600,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 136,272,000 Rights Shares (assuming Shares are allotted and issued upon full exercise of the outstanding Share Options) underwritten by the Underwriter on a best effort basis pursuant to the terms of the Underwriting Agreement
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders
"%"	per cent.

By Order of the Board
Tian Cheng Holdings Limited
Zheng Yanling
Chairman and Executive Director

Hong Kong, 11 November 2026

As at the date of this announcement, the executive Directors of the Company are Ms. Zheng Yanling, Mr. Luo Hao, Mr. Ouyang Jianwen, Ms. Jiang Chunxia, Mr. Zheng Qinggui and Mr. Nie Zheng; and the independent non-executive Directors are Mr. Wan San Fai Vincent, Mr. Wen Xiaoxiao and Mr. Yin Jun.