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SHEUNG YUE GROUP HOLDINGS LIMITED

上諭集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1633)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company

RAINBOW CAPITAL (HK) LIMITED
滾 博 資 本 有 限 公 司

Placing Agent

弘雅資本有限公司
CONSTANCE CAPITAL

PROPOSED RIGHTS ISSUE

The Board proposes, subject to, among other things, to conduct the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK$0.100 per Rights Share, to raise gross proceeds of approximately HK$34.2 million before expenses (assuming no further issue or repurchase of Shares on or before the Record Date), by way of the Rights Issue of up to 342,375,000 Rights Shares to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders.

The estimated net proceeds from the Rights Issue, if fully subscribed, after deducting all necessary expenses, are estimated to be approximately HK$32.9 million (assuming no further issue or repurchase of Shares on or before the Record Date). Details of the use of proceeds are set out in the paragraph headed "Reasons for and benefits of the Rights Issue and use of proceeds" under the section headed "Proposed Rights Issue" in this announcement.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of any Unsubscribed Shares and the NQS Unsold Rights Shares not validly applied for by the No Action Shareholders by offering such Unsubscribed Shares to independent placees for the benefit of those Shareholders. On 13 November 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares after the Latest Time for Acceptance to independent placees on a best effort basis. Details of the Placing Agreement are set out in the section headed "Placing Agreement" in this announcement.

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

The Rights Issue is conditional upon fulfilment of the conditions set out in the paragraph headed "Conditions of the Rights Issue" under the section headed "Proposed Rights Issue" of this announcement, 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.

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

Any Shareholders or potential investors contemplating selling or purchasing the Shares, and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Wednesday, 2 December 2026 to Tuesday, 8 December 2026 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

LISTING RULES IMPLICATIONS

Rights Issue

The Company has not conducted any other rights issue or open offer within the 12-month period prior to the date of this announcement, the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and the Rights Issue is not underwritten by a Director, chief executive or substantial Shareholder of the Company (or any of their respective close associates), therefore the Rights Issue is not conditional upon approval by the Shareholders.

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

GENERAL

The Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders.

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.100 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK$0.096 per Rights Share
Number of Shares in issue as at the date of this announcement	:	684,750,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 342,375,000 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to HK$3,423,750 (assuming no Shares are issued or repurchased on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue	:	up to 1,027,125,000 Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Gross proceeds from the Rights Issue	:	up to approximately HK$34.2 million before expenses (assuming no Shares are issued or repurchased on or before the Record Date)

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

Assuming no Shares are issued or repurchased on or before the Record Date, the 342,375,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50% of the total number of issued Shares and approximately 33.3% of the total number of issued Shares as enlarged by the issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements on a best efforts basis. Any Unsubscribed Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

Undertaking

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

Subscription Price

The Subscription Price of HK$0.100 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 70.59% to the closing price of HK$0.340 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 70.59% to the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK$0.340;

(iii) a discount of approximately 69.74% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK$0.3305;

(iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 23.53% represented by the theoretical diluted price of approximately HK$0.260 to the benchmarked price of approximately HK$0.340 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK$0.340 per Share and the average closing price of the Shares in the five (5) trading days immediately prior to the date of this announcement of HK$0.337 per Share);

(v) a discount of approximately 61.54% to the theoretical ex-rights price of approximately HK$0.25 per Share based on the closing price of HK$0.34 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(vi) a discount of approximately 54.40% to the consolidated net asset value per share attributable to the Shareholders as at 31 March 2026 of approximately HK$0.2193 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of HK$150,170,000 as set out in the annual report of the Company for the year ended 31 March 2026 and 684,750,000 Shares in issue as at the date of this announcement.

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

The Subscription Price was determined taking into consideration (i) the recent market prices of the Shares since October 2026, which presented an overall downward trend from HK$0.445 per Share on 2 October 2026 to HK$0.340 on the Last Trading Day; (ii) the prevailing market conditions in Hong Kong taking into consideration the rather cautious investment sentiment of the general public investors in Hong Kong amid economic uncertainties; (iii) the low trading volume of the Shares for the approximate three months period from 1 August 2026 up to the Last Trading Day with the average daily trading volume of approximately 2,058,767 Shares, representing approximately 0.301% of the total number of issued Shares as at the Last Trading Day; and (iv) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this announcement. The Directors consider that the Subscription Price at a relatively deep discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price as illustrated above, taking into account that (i) during the approximate three months period from 1 August 2026 up to the Last Trading Day, the Company's average daily trading volume of approximately 2,058,767 Shares represented merely approximately 0.301% of the total number of issued Shares as at the Last Trading Day, which indicated a lack of liquidity and demand for the Shares; (ii) the latest business performance and financial position of the Group, particularly that the Group recorded an escalation in net loss from approximately HK$9.7 million for the year ended 31 March 2025 to net loss of approximately HK$21.6 million for the year ended 31 March 2026; and (iii) the relatively large fundraising size when compared with the market capitalisation of the Company as at the Last Trading Day.

After thoroughly evaluating current market conditions and sentiment, relatively stagnant trading volume of the Shares and shareholder sentiment, the Board has determined that a discount to the current market price of the Shares, consolidated net asset value per Share as well as the benchmark price (as defined under Rule 7.27B of the Listing Rules) of the Shares would be necessary to provide adequate incentive to encourage the Shareholder and potential investors to participate in the Rights Issue, while ensuring the fundraising objectives can be met. Despite the relatively substantial theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), the Directors consider that such effect is inevitable in order to achieve fundraising objectives and incentivise the Shareholders to participate in the Rights Issue considering the lack of liquidity and relatively stagnant trading volume of the Shares as demonstrated above. Accordingly, despite the Subscription Price is priced at a discount to the current market price of the Shares, consolidated net asset value per Share and the benchmark price of the Shares, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e., Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK$0.096 per Rights Share.

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment will be one (1) Rights Share for every two (2) Shares held by the Shareholders as at the close of business on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

Fractional provisional allotment of the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd lot arrangement

In order to facilitate the trading of odd lots (if any) of the Shares, a designated broker will be appointed to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement is recommended to consult his/her/its own professional advisers. Further details in respect of the odd lots trading arrangement will be set out in the Prospectus.

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 will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may send copies of the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must be (i) registered as a member of the Company at the close of business on the Record Date; and (ii) not an Excluded Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider 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 on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Tuesday, 1 December 2026.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on Wednesday, 9 December 2026.

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

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Certificates of the Rights Shares and refund cheques

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on or about Tuesday, 19 January 2027 by ordinary post to those entitled thereto, at their own risk, to their registered addresses.

Taxation

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

Application for listing in nil-paid and fully-paid forms

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges. Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 3,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of 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.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

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

As at the date of this announcement, there are no Overseas Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send the Prospectus (without the PAL) and a letter explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue to the Excluded Shareholders for their information only.

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) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares. The Company reserves the right to treat as invalid any acceptances of, or applications for, the 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, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

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

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of any Unsubscribed Shares and the NQS Unsold Rights Shares by offering such Unsubscribed Shares and the NQS Unsold Rights Shares to independent placees for the benefit of those 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 as stipulated by Rule 7.21(1)(a) of the Listing Rules.

The Company appointed the Placing Agent to place the Unsubscribed Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the "**Net Gain**") will be paid to the relevant No Action Shareholders and Excluded Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 8 January 2027, acquirers for all (or as many as possible) of those Unsubscribed Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price.

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

(i) for No Action Shareholders, 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 where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and

(ii) for Excluded Shareholders, the relevant Excluded Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

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

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Wednesday, 2 December 2026 to Tuesday, 8 December 2026 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

PLACING AGREEMENT

Principal terms of the Placing Agreement are summarised below:

Placing Agent	:	Constance Capital Limited The Placing Agent is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Placing commission	:	Subject to completion of the Placing taking place, the Company shall pay a placing commission in Hong Kong dollars, of (i) 1.0% of the amount (the "**Placing Commission**") which is equal to the placing price multiplied by the number of the Unsubscribed Shares and the NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, or (ii) a fixed fee of HK$100,000 (whichever is higher), pursuant to the terms of the Placing Agreement.
Placing Price	:	Not less than HK$0.100 per Unsubscribed Share and the NQS Unsold Rights Shares
Placing Period	:	A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (i.e. Monday, 4 January 2027 under the current timetable) and ending on 4:00 p.m. on the fifth (5th) business days after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (both days inclusive)
Placees	:	The Unsubscribed Shares and NQS Unsold Rights Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties and not acting in concert with the Placing Agent and its concert parties. For the avoidance of doubt, no placee will become a substantial Shareholder. The Placing Agent shall also ensure that the public float requirement under Rule 13.32B of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue and the Placing.
Ranking of the placed Unsubscribed Shares and NQS Unsold Rights Shares	:	The placed Unsubscribed Shares and NQS Unsold Rights Shares (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
Conditions of the Placing Agreement	:	The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled: (i) the Rights Issue having become unconditional;

(ii) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;

(iii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Shares and the NQS Unsold Rights Shares with or without conditions;

(iv) 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; and

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

None of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

Termination : Notwithstanding anything contained in the Placing Agreement, 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 absolute 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 the success of the Placing or the full placement of all of the Unsubscribed Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient 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 hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

(b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; 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 Group; 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 given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement 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 Unsubscribed Shares and NQS Unsold Rights 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.

The terms of the Placing Agreement were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate for rights issues in the market, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of the Placing Agreement are fair and reasonable and on normal commercial terms.

The Placing Agent confirms that it is an Independent Third Party. The Placing Agent will, on a best efforts basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares and NQS Unsold Rights Shares.

If all or any of the Unsubscribed Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Excluded Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Shares that are not placed by the Placing Agent will not be issued by the Company. As at the date of this announcement, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company. As such, the Company considers that the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of the following conditions:

(a) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance;

(b) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

(c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked; and

(d) the Placing Agreement not having been terminated in accordance with the provisions thereof, and remaining in full force and effect.

None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the fulfilment of the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company.

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

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of foundation works in Hong Kong. The scope of foundation works undertaken by the Group mainly includes piling construction, excavation and lateral support works, pile cap construction, site formation and ancillary services (such as loading test and construction machinery leasing services).

Capital needs for executing existing projects amid margin pressure

As disclosed in the annual report of the Company for the year ended 31 March 2026 (the "**2026 Annual Report**"), as at 31 March 2026, there were four projects on hand with a total contract sum of approximately HK$474.2 million, all of which are expected to be completed for the year ending 31 March 2027. The Group's foundation works are working-capital intensive, requiring it to fund machinery, materials, subcontractor advances, labour, and site overheads before receiving progress payments. As at 31 March 2026, the Group's contract assets amounted to approximately HK$87.5 million, representing cash tied up in work performed but not yet certified, and its advance to subcontractors amounted to approximately HK$13.3 million, indicating that the Group funds subcontractors upfront. Given the decline in the Group's gross profit margins from approximately 7.2% for the year ended 31 March 2025 ("**FY2025**") to approximately 2.1% for the year ended 31 March 2026 ("**FY2026**"), the Group has been prudent in project selection to avoid the risk of incurring project losses.

Given the capital requirements of the Group's existing projects, the Directors consider it appropriate to reserve the Group's internal resources and cash generated from operating activities to fund the Group's existing projects, so as to ensure that the Group's existing projects can be executed without delay or cost overruns (which would further erode the Group's thin gross profit margin), and support the conversion of the Group's contract assets into cash.

Capital reserve for securing and executing new quality projects as the Government infrastructure pipeline grows amid a competitive Hong Kong construction market

According to the data from the Census and Statistics Department of Hong Kong, the gross value of construction works performed by main contractors of Hong Kong decreased by 4.2% in real terms in 2025. In the first half of 2026, while the gross value of construction works performed by main contractors of Hong Kong increased by 2.2% in real terms year-on-year, it remains uncertain whether the Hong Kong construction industry is on a recovery trend.

As disclosed in the 2026 Annual Report, while the Hong Kong construction market is expected to remain competitive and the Group will continue to exercise prudent cost control and project execution discipline, it continues to identify opportunities arising from government-led infrastructure development and foundation works demand in Hong Kong, which may support business activity over the medium term. In particular, ongoing public infrastructure investment, urban redevelopment, and related foundation and site formation works are expected to provide a steady stream of potential opportunities for the Group.

The Northern Metropolis development, one of Hong Kong's most ambitious long-term planning initiatives, will require extensive foundation works across residential, commercial, and transport infrastructure. Concurrently, the Government is advancing a range of hospital redevelopment programmes, new public housing estates, and major transport link projects, including railway extensions and bridge construction. All of these are expected to increase demand for the Group's foundation works.

Foundation works projects generally require substantial upfront funding, such as performance bonds and insurance guarantees, to secure new contracts. Capital is also required to be reserved to strengthen liquidity and meet the performance bond requirements for newly awarded projects. Given the competitive environment and the prospects of the domestic construction industry as explained above, and as the Group intends to reserve its internal resources and cash generated from operating activities for its existing projects, the Directors consider it appropriate to reserve additional capital from the Rights Issue for securing and executing new quality projects when such opportunities arise.

As at the date of this announcement, the Company was in discussions with a main contractor in Hong Kong for 4 new potential projects. These projects relate to underground structures and underground conduit works for data center and residential projects located in Sandy Ridge, Lau Fau Shan, Tung Chung and Cheung Sha Wan. The total contract sums of the main contractor for these projects amount to approximately HK$8.5 billion. Should the Company be awarded these four projects, the aggregate contract sum attributable to the Company is expected to be approximately HK$235.0 million. As such, the Company expects that substantial capital would be required for the obtaining and execution of these projects, including the payment for performance bonds and insurance guarantees, as well as the procurement of materials. The Company plans to allocate approximately HK$19.9 million from the Rights Issue to fund any such new projects,

primarily covering material costs, subcontractor advances, labour, site overheads, performance bonds and insurance guarantees, which is expected to be fully utilised by the year ending 31 March 2028.

Potential liquidity gap amid widening losses and tight cash position

The Group incurred loss of approximately HK$9.7 million and HK$21.6 million for FY2025 and FY2026, respectively. For FY2026, the Group incurred administrative expenses of approximately HK$17.8 million, and total staff costs (including directors' emoluments) of approximately HK$26.6 million, of which approximately HK$15.5 million was included in cost of services and the remainder in administrative expenses. These are ongoing cash outflows that must be met even in a loss-making year. In addition, as at 31 March 2026, the Group had only approximately HK$3.4 million in cash and cash equivalents against approximately HK$24.3 million of trade and other payables and approximately HK$51.9 million of bank loans within one year or on demand. Given the aforesaid working capital requirement and the Group's financial resources, the proceeds from the Rights Issue will substantially address this potential liquidity gap and provide a liquidity cushion for the Group to meet its day-to-day obligations and avoid a cash crunch if project cash flows are delayed.

AI workflow system to drive operating cost reduction and operational efficiency

In addition, the Company intends to reduce operating costs and enhance operational efficiency by developing an artificial intelligence ("**AI**") workflow system for its existing business. This initiative is designed to leverage the AI workflow system to automate the Group's daily operational workflows. By utilising large language models ("**LLM**") and intelligent agents, the system will be capable of comprehending unstructured information, performing informed judgments, and dynamically orchestrating tasks. Building on this strategy, the Group will strategically integrate AI across its various operational processes within its existing business, thereby driving sustainable improvements in efficiency and cost effectiveness.

To establish the system, the Group intends to first subscribe to Graphics Processing Unit ("**GPU**") cloud instances on-demand to deploy development environment and secure basic LLM Application Programming Interface ("**API**") access. Approximately two or three core AI engineers are expected to be recruited and they will be responsible for requirements analysis and technical architecture design. The foundation setup is expected to take around six months, upon completion of which a complete AI workflow system prototype (proof of concept, or "**PoC**") validating the feasibility of one or two key workflows (e.g., document understanding, automated approval) will be delivered.

Following the establishment of the foundation and based on the PoC results, the Company will convert stable workloads to annual subscriptions or reserved instances to reduce unit costs, and will apply costs towards increasing computing power allocation for fine-tuning and debugging. The development stage is expected to take one year to complete. Thereafter, the AI workflow system is expected to go live in core business lines, achieving measurable efficiency improvements or cost reductions.

To achieve the above development, it is expected that (i) HK$3.5 million will be required for the leasing or purchase of GPU cloud instances, including cloud AI services, LLM API calls, storage, and bandwidth; (ii) HK$4.0 million will be required for the recruitment of two to three

AI engineers or algorithm engineers for the development of the AI workflow system, such as algorithm tuning, agent orchestration, and workflow integration; and (iii) HK$0.5 million will be required for the purchase of software, including development tools, productivity software licenses and potential small-scale data annotation. The above costs are expected to be fully utilised within two years following the commencement of the development of the AI workflow system. As at the date of this announcement, the Company has yet to identify the service provider or supplier for the development of the AI workflow system.

Upon completion of the AI workflow system, the Group is expected to be able to significantly increase its tender volume and win rate for quality projects. Foundation works rely heavily on public and private tenders, which involve a large volume of administrative work, including the extraction of bill of quantities and specification requirements, followed by the preparation of proposals and pricing. The AI workflow system can automate the reading of unstructured tender documents, extract key quantities and technical requirements, and draft comparison tables against historical projects. With reduced time spent handling tenders, bidding volume and the corresponding win rate are expected to increase. In addition, foundation works projects involve close coordination with main contractors, subcontractors, testing laboratories and machinery leasing teams, and generate massive daily information flows in daily operations, including progress reports, test reports, machinery logs and variation orders. The AI workflow system can automatically summarise meeting minutes, extract outstanding items and generate draft weekly reports. With the AI workflow system, operational efficiency is expected to improve and resources can be reallocated to on-site project coordination instead of documentation.

The gross proceeds from the Rights Issue are expected to be approximately HK$34.2 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK$32.9 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

(i) approximately HK$19.9 million, representing approximately 60.5% of the net proceeds, for securing and executing new construction related foundation work projects, primarily covering material costs, subcontractor advances, labour, site overheads, performance bonds and insurance guarantees;

(ii) approximately HK$8.0 million, representing approximately 24.3% of the net proceeds, for the development of an AI workflow system for the Group's existing business, comprising (a) the leasing or purchase of infrastructure and computing power, including GPU computing resources, cloud AI services and servers, and the purchase of relevant software; and (b) recruiting in-house AI-related technical personnel for research and development of algorithms and development of such AI workflow system; and

(iii) approximately HK$5.0 million representing approximately 15.2% of the net proceeds, as general working capital of the Group to cover the Group's day-to-day operating costs, including settlement of staff costs, administrative expenses, trade and other payables and other liabilities of the Group.

In the event that there is an under-subscription of the Rights Issue and the Placing (as the case may be), the net proceeds of the Rights Issue and the Placing (as the case may be) will be allocated and utilised in proportion to the above uses.

Fundraising alternatives

The Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

The Board is of the view that while debt financing will increase the gearing ratio of the Group and having considered the prevailing high interest rate environment, debt financing will increase the on-going interest expenses of the Group which may in turn affect the profitability of the Group.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. Given the prevailing market condition and the financial performance of the Group, it may also be difficult for the Group to procure investors and placees without providing a substantial discount to the placing price. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above, the Directors consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the date of this announcement up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders

have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent placees:

	As at the date of this announcement		Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent placees	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
Mr. Chen *(Note 1)*	502,779,000	73.43	754,168,500	73.43	502,779,000	48.95
Existing public Shareholders	181,971,000	26.57	272,956,500	26.57	181,971,000	17.72
Independent placees	–	–	–	–	342,375,000	33.33
Total	684,750,000	100.00	1,027,125,000	100.00	1,027,125,000	100.00

Note:

1. 502,779,000 Shares are held by Wise Triumph Limited, which is legally and beneficially wholly owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in 502,779,000 Shares held by Wise Triumph Limited by virtue of the SFO.

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

FUNDRAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any equity fundraising activities during the 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Rights Issue. The expected timetable is subject to the satisfaction of the conditions to the Rights Issue and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates.

Events	Hong Kong Date and Time 2026
Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue	Friday, 27 November
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Monday, 30 November
Latest time for the Shareholders to lodge transfer documents of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Tuesday, 1 December
Closure of register of members to determine the eligibility of the Rights Issue (both dates inclusive)	Wednesday, 2 December to Tuesday, 8 December
Record date for the Rights Issue	Tuesday, 8 December
Register of members of the Company re-opens	Wednesday, 9 December
Despatch of the Prospectus Documents (including the PAL and Prospectus) (in case of the Excluded Shareholders, the Prospectus only)	Wednesday, 9 December
First day of dealings in nil-paid Rights Share	Friday, 11 December
Latest time for splitting the PAL	4:30 p.m. on Tuesday, 15 December
Last day of dealings in nil-paid Rights Shares	Friday, 18 December
Latest time for lodging transfer documents of nil-paid Right Shares in order to qualify for the Compensatory Arrangement	4:00 p.m. on Wednesday, 23 December
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 23 December
Announcement of the number of the Unsubscribed Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 31 December

Events	Hong Kong Date and Time 2027
Commencement of placing of the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent, on best effort basis	Monday, 4 January
Latest time for placing the Unsubscribed Shares and NQS Unsold Rights Shares	4:00 p.m. on Friday, 8 January
Latest Time for the termination of the Placing Agreement	5:00 p.m. on Monday, 11 January
Announcement of results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Share and NQS Unsold Rights Shares under the Compensatory Arrangements)	Monday, 18 January
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated)	Tuesday, 19 January
Commencement of dealings in fully-paid Rights Shares	Wednesday, 20 January
Designated broker commences to provide matching services for odd lots of Shares	9:00 a.m. on Wednesday, 20 January
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Tuesday, 26 January
Designated broker ceases to provide matching services for odd lots of Shares	4:00 p.m. on Wednesday, 10 February

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

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if:

(i) tropical cyclone warning signal No. 8 (or above);

(ii) "extreme conditions" caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or

(iii) a "black" rainstorm warning

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

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

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the "Expected Timetable" above may be affected. Announcement will be made by the Company in such event. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

LISTING RULES IMPLICATIONS

The Company has not conducted any other rights issue or open offer within the 12-month period prior to the date of this announcement, the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and the Rights Issue is not underwritten by a Director, chief executive or substantial Shareholder of the Company (or any of their respective close associates), therefore the Rights Issue is not conditional upon approval by the Shareholders.

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

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL to the Excluded Shareholders.

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

The Rights Issue is conditional upon fulfilment of the conditions set out in the paragraph headed "Conditions of the Rights Issue" under the section headed "Proposed Rights Issue" of this announcement, 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.

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

Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

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

"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday, public holiday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
"Companies Registry"	Companies Registry of Hong Kong
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
"Company"	Sheung Yue Group Holdings Limited, a 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: 1633)
"Compensatory Arrangements"	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules

"connected person"	has the meaning as ascribed thereto under the Listing Rules
"controlling shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
"Last Trading Day"	13 November 2026, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
"Latest Time for Acceptance"	4:00 p.m. on Wednesday, 23 December 2026 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares

"Latest Time for Termination"	5:00 p.m. on Monday, 11 January 2027 or such later time or date as may be agreed between the Placing Agent and the Company, being the latest time to terminate the Placing Agreement
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Chen"	Mr. Chen Haining, the controlling shareholder of the Company
"No Action Shareholder(s)"	those Qualifying Shareholder(s) who do not subscribe for the Rights Issue (whether partially or fully) (under the PAL or their renounces or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed) or Excluded Shareholders (as the case may be)
"NQS Unsold Rights Shares"	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
"PAL(s)"	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placing"	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement
"Placing Agent"	Constance Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) regulated activities, which will place the Unsubscribed Shares and NQS Unsold Rights Shares to investors who are Independent Third Parties under the Compensatory Arrangements
"Placing Agreement"	the placing agreement dated 13 November 2026 entered into between the Company and the Placing Agent in relation to the Placing

"Placing Period"	the period from Monday, 4 January 2027 up to 4:00 p.m. on the fifth (5th) business day after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares, being Friday, 8 January 2027, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Price"	not less than HK$0.100 per Unsubscribed Share
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus"	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	the Prospectus and the PAL(s)
"Prospectus Posting Date"	Wednesday, 9 December 2026 (or such other date as may be determined by the Company), being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
"Qualifying Shareholder(s)"	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
"Record Date"	Tuesday, 8 December 2026, the record date for the determination of the entitlements under the Rights Issue
"Registrar"	Tricor Investor Services Limited, the address of which is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
"Rights Issue"	the proposed issue by way of rights of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the paragraph headed "Conditions of the Rights Issue" in this announcement
"Rights Share(s)"	the new Share(s) to be allotted and issued under the Rights Issue, being 342,375,000 Shares (assuming no other change in the number of issued Shares from the date of this announcement up to and including the Record Date)

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.100 per Rights Share
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Unsubscribed Shares"	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Excluded Shareholders (as the case may be)
"Wise Triumph Limited"	Wise Triumph Limited, a company incorporated in the British Virgin Islands with limited liability
"%"	per cent

For and on behalf of the Board
Sheung Yue Group Holdings Limited
Liang Ying
Chairlady and executive Director

Hong Kong, 13 November 2026

As at the date of this announcement, the Board comprises Ms. Liang Ying and Mr. Chen Yifang as executive Directors, and Ms. Yuen Wai Man, Ms. Zhang Chan and Mr. Ye Jianrong as independent non-executive Directors.