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HKC INTERNATIONAL HOLDINGS LIMITED
香港通訊國際控股有限公司*

*(Incorporated in the Cayman Islands with limited liability)
(Stock code: 248)*

**(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(2) PROPOSED SHARE CONSOLIDATION;
(3) PROPOSED CHANGE IN BOARD LOT SIZE; AND
(4) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE
FOR EVERY TWO (2) CONSOLIDATED SHARES
HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

Financial adviser to the Company



PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$40,000,000 divided into 4,000,000,000 Existing Shares by the creation of an additional 2,000,000,000 Existing Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation, pursuant to which every eight (8) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.08 each. The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation. The Share Consolidation will become effective on the second business day immediately after the EGM.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

PROPOSED RIGHTS ISSUE

Conditional upon the Increase in Authorised Share Capital and Share Consolidation becoming effective, the Board proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.28 per Rights Share, to raise up to approximately HK\$21.8 million before expenses by way of issuing up to 77,833,203 Rights Shares (assuming there is no other changes in the total number of issued Shares on or before the Record Date). The 77,833,203 Rights Shares to be issued pursuant to the terms of the Rights Issue represents approximately 50.0% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and approximately 33.3% of the total number of issued Consolidated Shares as enlarged by the allotment and issue of the Rights Shares. The Rights Issue is not underwritten and is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

Subject to the fulfillment and/or waiver (where applicable) 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. Any Rights Shares which remain unsold will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by no later than the Latest Lodging Time.

Irrevocable Undertaking

As at the date of this announcement, the Board has received an Irrevocable Undertaking from Mr. Hubert Chan (being the Chairman, Chief Executive Officer, an executive Director and a controlling Shareholder) and Light Emotion Limited, a company owned by Mr. Hubert Chan and his wife, Josephine Liu, which in aggregate are interested in 681,752,246 Existing Shares (representing approximately 54.7% of all issued Shares) as at the date of this announcement.

Pursuant to the Irrevocable Undertaking, each of Mr. Hubert Chan and Light Emotion Limited agreed to, among other things, (i) accept their respective entitlements to the provisional allotment of an aggregate of 42,609,514 Rights Shares; and (ii) not to sell or transfer the Shares held by him/it in any manner before the completion or lapse of the Rights Issue.

As at the date of this announcement, the Shareholder's Loan amounted to approximately HK\$3.1 million. Mr. Hubert Chan intends to advance further Shareholder's Loan in the amount of HK\$15 million to the Group. Mr. Hubert Chan has irrevocably and unconditionally undertaken to the Company that he will settle the subscription monies payable for the Rights Shares provisionally allotted to him (and any excess Rights Shares which may be allotted to him) by way of setting off part of the Shareholder's Loan on a dollar-to-dollar basis, provided that, in the event that the amount of the Shareholder's Loan at the material time is not sufficient to settle the subscription monies, the shortfall will be settled by way of cash.

As at the date of this announcement, save for the Irrevocable Undertaking, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Use of proceeds

Assuming full subscription under the Rights Issue, the maximum gross proceeds from the Rights Issue (after setting off the subscription monies payable for the Rights Shares provisionally allotted to Mr. Hubert Chan against the Shareholder's Loan in the amount of approximately HK\$11.5 million) are expected to be approximately HK\$10.3 million. The maximum net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$9.4 million.

The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$8.5 million or 90% of the maximum net proceeds for repayment of the Group's bank borrowings; and (ii) the remaining balance of approximately HK\$0.9 million or 10% of the maximum net proceeds for replenishment of the general working capital of the Group for payment of staff costs.

In the event that there is an under-subscription of the Rights Issue, the net proceeds to be raised will be first applied towards the repayment of the Group's outstanding bank borrowings, and the remaining balance (if any) will be used for general working capital purpose.

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

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" in this announcement. Accordingly, the Share Consolidation may or may not proceed.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Conditions of the Rights Issue" in this announcement. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced.

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

LISTING RULES IMPLICATIONS

Increase in Authorised Share Capital

The Increase in Authorised Share Capital is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution to be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates has any interest in the Increase in Authorised Share Capital and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting on the resolution to approve the Increase in Authorised Share Capital and the transactions contemplated thereunder by way of poll at the EGM.

Share Consolidation

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution to be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates has any interest in the Share Consolidation and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation and the transactions contemplated thereunder by way of poll at the EGM.

Rights Issue

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

GENERAL

The EGM will be convened and held to consider and, if thought fit, to approve, among other things, the Increase in Authorised Share Capital and the Share Consolidation.

A circular containing, among other things, (i) further details of the Increase in Authorised Share Capital, the Share Consolidation and the Change in Board Lot Size; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 16 January 2026.

Subject to the fulfillment of certain conditions of the Rights Issue including the approval of the Increase in Authorised Share Capital and the Share Consolidation, the Company will despatch the Prospectus Documents to the Qualifying Shareholders. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Non-Qualifying Shareholders.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$40,000,000 divided into 4,000,000,000 Existing Shares by the creation of an additional 2,000,000,000 Existing Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM, which is expected to be held on Tuesday, 3 February 2026.

In order to accommodate the future growth of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board considers the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation, pursuant to which every eight (8) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.08 each. The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates has any interest in the Share Consolidation, and therefore no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 1,245,331,256 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares will be allotted and issued or repurchased prior thereto, the authorised share capital of the Company shall become HK\$20,000,000 divided into 250,000,000 Consolidated Shares of par value of HK\$0.08 each, of which 155,666,407 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses incurred and to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;

- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Thursday, 5 February 2026, being the second Business Day after the fulfilment of the above conditions.

Application of listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made by the Company for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Exchange of share certificates

Subject to the Share Consolidation having become effective which is currently expected to be Thursday, 5 February 2026, Shareholders may, on or after Thursday, 5 February 2026 and until Wednesday, 18 March 2026 (both days inclusive), submit share certificates in blue color for Existing Shares to the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates in grey color for the Consolidated Shares.

Thereafter, share certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of share certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Monday, 16 March 2026, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of eight (8) Existing Shares for one (1) Consolidated Share.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.047 per Existing Share (equivalent to the theoretical closing price of HK\$0.376 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$188; (ii) the value of each board lot of 4,000 Consolidated Shares would be HK\$1,504 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 10,000 Consolidated Shares would be HK\$3,760 assuming that the Share Consolidation and the Change in Board Lot Size becoming effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

For the avoidance of doubt, if the Share Consolidation is not approved at the EGM, the proposed Change in Board Lot Size will not become effective and the Shares will continue to be traded on the Stock Exchange in board lot of 4,000 Existing Shares.

ARRANGEMENT ON ODD LOT TRADING AND MATCHING SERVICES

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, a designated broker will be appointed by the Company to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Company's circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the share approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the listed issuer to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and updated in September 2024) has further stated that (i) the market price of the share at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

In view of the prevailing trading price of the Shares at a level below HK\$0.1 and the value per board lot being substantially less than HK\$2,000, the Board considers that upon the Share Consolidation becoming effective, based on the closing price of HK\$0.047 per Existing Share as at the date of this announcement, the theoretical share price of the Company would be adjusted to HK\$0.376 per Consolidated Share; and with a board lot size of 10,000 Consolidated Shares, the theoretical new board lot value would be HK\$3,760, which would enable the Company to comply with the trading requirements under the Listing Rules.

Accordingly, the Share Consolidation will bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. The Board considers that the Share Consolidation and the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing in the Shares from a broader range of institutional and professional investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

In view of the above reasons, the Company considers the Share Consolidation and the Change in Board Lot Size are justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

The Board proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.28 per Rights Share, to raise up to approximately HK\$21.8 million before expenses by way of issuing up to 77,833,203 Rights Shares to the Qualifying Shareholders (assuming there is no other changes in the total number of issued Shares on or before the Record Date). The Rights Issue is only available to Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

Rights Issue statistics

| | | |
|---|---|--|
| Basis of the Rights Issue | : | One (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date |
| Subscription Price | : | HK\$0.28 per Rights Share |
| Number of Existing Shares in issue as at the date of this announcement | : | 1,245,331,256 Existing Shares |
| Number of Consolidated Shares in issue upon the Share Consolidation becoming effective | : | 155,666,407 Consolidated Shares |
| Maximum number of Rights Shares | : | 77,833,203 Rights Shares (assuming there is no other change in the total number of issued Shares on or before the Record Date) |
| Aggregate nominal value of the Rights Shares | : | HK\$6,226,656.20 (assuming no change in the number of Shares in issue on or before the Record Date) |
| Total issued shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed) | : | 233,499,610 Consolidated Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) |
| Maximum gross proceeds to be raised from the Rights Issue | : | Approximately HK\$21.8 million |

As at the date of this announcement, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming there is no change in the number of issued Shares on or before the Record Date, the 77,833,203 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) approximately 50.0% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (ii) approximately 33.3% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price of HK\$0.28 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares under the Rights Issue, upon an application of excess 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 25.5% to the adjusted closing price of HK\$0.376 per Consolidated Share (based on the closing price of HK\$0.047 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (ii) a discount of approximately 25.5% to the average of the adjusted closing prices of HK\$0.376 per Consolidated Share (based on the average closing price of HK\$0.047 per Existing Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iii) a discount of approximately 17.6% to the average of the adjusted closing prices of approximately HK\$0.34 per Consolidated Share (based on the average closing price of approximately HK\$0.043 per Existing Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iv) a discount of approximately 18.6% to the theoretical ex-rights price of HK\$0.344 per Consolidated Share based on the closing price of HK\$0.376 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day;

- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 8.5% represented by the theoretical diluted price of approximately HK\$0.344 to the benchmarked price of approximately HK\$0.376 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.376 per Consolidated Share and the average closing price of the Consolidated Shares in the five trading days immediately prior to the date of this announcement of HK\$0.376 per Consolidated Share), assuming Share Consolidation has become effective; and
- (vi) a discount of approximately 79.1% to the consolidated net asset value per Consolidated Share of approximately HK\$1.34 (based on the unaudited consolidated net asset value of the Company as at 30 September 2025 of approximately HK\$208.8 million and the total number of 155,666,407 issued Consolidated Shares after the Share Consolidation).

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 price of the Existing Shares; (ii) the prevailing market conditions; (iii) the low trading volume of the Existing Shares; (iv) the current business performance and financial position of the Group; (v) the amount of funds the Company intends to raise under the Rights Issue; and (vi) the imminent funding and capital needs of the Company for the repayment of the Group's outstanding bank borrowings. The Directors consider that the Subscription Price which is set at a discount to the current market price of the Existing Shares would 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, 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.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application under the EAFs. There are no applicable statutory requirements under the laws of Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL or applies for excess Rights Shares under EAF 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 the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not (i) result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules on the part of the Company; and (ii) 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.

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

Irrevocable Undertaking

As at the date of this announcement, the Board has received an Irrevocable Undertaking from Mr. Hubert Chan (being the Chairman, Chief Executive Officer, an executive Director and a controlling Shareholder) and Light Emotion Limited, a company owned by Mr. Hubert Chan and his wife, Josephine Liu, which in aggregate are interested in 681,752,246 Existing Shares (representing approximately 54.7% of all issued Shares) as at the date of this announcement.

Pursuant to the Irrevocable Undertaking, each of Mr. Hubert Chan and Light Emotion Limited agreed to, among other things, (i) accept their respective entitlements to the provisional allotment of an aggregate of 42,609,514 Rights Shares; and (ii) not to sell or transfer the Shares held by him/it in any manner before the completion or lapse of the Rights Issue.

As at the date of this announcement, the Shareholder's Loan amounted to approximately HK\$3.1 million. Mr. Hubert Chan intends to advance further Shareholder's Loan in the amount of HK\$15 million to the Group. Mr. Hubert Chan has irrevocably and unconditionally undertaken to the Company that he will settle the subscription monies payable for the Rights Shares provisionally allotted to him (and any excess Rights Shares which may be allotted to him) by way of setting off part of the Shareholder's Loan on a dollar-to-dollar basis, provided that, in the event that the amount of the Shareholder's Loan at the material time is not sufficient to settle the subscription monies, the shortfall will be settled by way of cash.

The exact amount of the subscription monies payable by Mr. Hubert Chan to be offset against the Shareholder's Loan then outstanding would depend on the number of the Rights Shares to be taken up by him (including any excess Rights Shares which may be allotted to him), which will be disclosed in the allotment results announcement of the Company.

As at the date of this announcement, save for the Irrevocable Undertaking, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Status of the Rights Shares

The Rights Shares, when issued and fully paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than the Latest Lodging Time.

The last day of dealing in the Consolidated Shares on cum-rights basis is Thursday, 5 February 2026. The Consolidated Shares will be dealt with on an ex-rights basis from Friday, 6 February 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.

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 Overseas Shareholders (if any)

Based on the register of members of the Company as of the date of this announcement, there is no Shareholder with registered addresses situated outside Hong Kong.

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

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders. The basis for excluding the Non-Qualifying Shareholders(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus (without the PAL and the EAF) and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to the Non-Qualifying Shareholders for their information only.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, 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 pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

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

Application for excess Rights Shares

All Qualifying Shareholders are entitled to apply, by way of excess application under the EAFs, for additional Rights Shares in excess of their assured entitlements.

The excess Rights Shares will comprise:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders;
- (iii) any Rights Shares created from the aggregation of unsold fractions of Rights Shares not provisionally allotted to the Qualifying Shareholders; and
- (iv) any Rights Shares which would otherwise be allotted but subject to scale down (as described in the paragraph headed “Non-underwritten basis” above).

Application for excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Friday, 6 March 2026.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

Basis of allocation of excess Rights Shares

The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) if there are insufficient excess Rights Shares to satisfy all EAFs, excess Rights Shares will be allocated on a pro rata basis by reference to the number of excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders; and
- (ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of excess Rights Shares applied for through the EAFs), excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

Pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholders of the Company or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by no later than the Latest Lodging Time. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Rights Shares to make up a full board lot, or to dispose of their holding of odd lots of the Rights Shares. Further details in respect of the odd lots matching arrangement will be set out in the Prospectus Documents. Holders of odd lots of the Rights Shares should note that the matching of the sale and purchase of odd lots of the Rights Shares is not guaranteed.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 28 January 2026 to Tuesday, 3 February 2026 (both days inclusive) for determining the eligibility of the Shareholders to attend and vote at the EGM. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM is Tuesday, 3 February 2026.

The register of members of the Company will be closed from Tuesday, 10 February 2026 to Monday, 16 February 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure periods. The Record Date is Monday, 16 February 2026.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Consolidated Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

No fractional entitlement to 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 rounded down to the nearest whole number). Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefit and interests of the Company.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully paid Rights Shares are expected to be sent on Tuesday, 17 March 2026, to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Tuesday, 17 March 2026, by ordinary post to the applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid Rights Shares and the fully-paid Rights Shares will be traded in the board lot size of 10,000 Consolidated Shares.

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 commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be 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.

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

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.

Conditions of the Rights Issue

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

- (i) the passing by the Shareholders at the EGM of ordinary resolution(s) to approve the Increase in Authorised Share Capital and the Share Consolidation;
- (ii) the Increase in Authorised Share Capital, the Share Consolidation and the Change in Board Lot Size becoming effective;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iv) the electronic submission to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents and other documents no later than the Prospectus Posting Date in compliance with the Listing Rules and the Companies (WUMP) Ordinance; and
- (v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date.

All the conditions set out above cannot be waived. If any of the above conditions are not fulfilled on or prior to the respective time stipulated therein, the Rights Issue will not proceed. As at the date of this announcement, none of the above conditions had been fulfilled.

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

The Group is principally engaged in (i) sales of internet of things (“IoT”) solutions; (ii) sales of mobile phones; and (iii) property leasing and related investment business.

As disclosed in the interim report of the Company for the six months ended 30 September 2025, the cash and bank balances of the Group amounted to approximately HK\$6.6 million, while bank borrowings of the Group that are repayable in the next 12 months amounted to approximately HK\$131.4 million. As at 30 September 2025, the gearing ratio of the Group, computed by total borrowings divided by total equity, was approximately 63%. Therefore, the Group is in need of financial resources to settle its outstanding bank borrowings.

Assuming full subscription under the Rights Issue, the maximum gross proceeds from the Rights Issue (after setting off the subscription monies payable for the Rights Shares provisionally allotted to Mr. Hubert Chan against the Shareholder’s Loan in the amount of approximately HK\$11.5 million assuming that the Shareholder’s Loan is sufficient to settle the subscription monies (as detailed in the above section headed “Irrevocable Undertaking”)) are expected to be approximately HK\$10.3 million. The maximum net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$9.4 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) as to approximately HK\$8.5 million or 90% of the maximum net proceeds for repayment of the Group’s bank borrowings; and
- (ii) as to the remaining balance of approximately HK\$0.9 million or 10% of the maximum net proceeds for replenishment of the general working capital of the Group for payment of staff costs.

In the event that there is an under-subscription of the Rights Issue, the net proceeds to be raised will be first applied towards the repayment of the Group’s outstanding bank borrowings, and the remaining balance (if any) will be used for general working capital purpose.

Other fundraising alternatives

Apart from the Rights Issue, the Directors have also considered other debt or equity financing alternatives such as bank borrowings, placing or subscription of new Shares or open offer. The Directors are of the view that further bank borrowings will result in additional finance costs and further increase the gearing ratio of the Group which is not beneficial to the Group. The Group may also be restrained by various restrictive covenants under bank financing. With respect to placing or subscription of new Shares, such exercise would immediately dilute the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. While both the Rights Issue and open offer provide the Shareholders with equal opportunity to participate in and to maintain their pro-rata shareholdings in the Company, as opposed to an open offer, the Rights Issue further provide flexibility to the Qualifying Shareholders who do not wish to take up their provisional entitlements to sell the nil-paid rights in the market, thereby recouping some value. As such, the Directors consider the Rights Issue a more preferable fundraising option in the prevailing circumstances.

Considering the existing level of cash and bank balances of the Group as well as the finance costs associated with the Group's bank borrowings, the Directors consider that the Rights Issue represents an opportunity for the Group to partially settle the bank borrowings and the Shareholder's Loan (as the case may be), reduce the gearing ratio and the associated interest expenses, as well as strengthening its financial position, while at the same time providing Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible effect in the shareholding structure of the Company assuming there is no change in the number of Shares in issue from the date of this announcement up to and date of completion of the Rights Issue (i) as at the date of this announcement; (ii) immediately after the Share Consolidation; (iii) immediately after the Share Consolidation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iv) immediately after the Share Consolidation and upon the completion of the Rights Issue assuming nil acceptance by all Qualifying Shareholders (other than Mr. Hubert Chan and Light Emotion Limited pursuant to the Irrevocable Undertaking) and no application for excess Rights Shares under the Rights Issue:

| Shareholders | As at the date of this announcement | | | | Immediately after the Share Consolidation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders | | | | Immediately after the Share Consolidation and upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders (other than Mr. Hubert Chan and Light Emotion Limited pursuant to the Irrevocable Undertaking) and no application for excess Rights Shares under the Rights Issue | | | |
|--------------------------|-------------------------------------|----------------------|---------------------------|----------------------|---|----------------------|---------------------------|----------------------|---|--|---|--|
| | Number of Shares | | % | | Number of Shares | | % | | Number of Shares | | % | |
| | | | | | | | | | | | | |
| <i>Directors</i> | | | | | | | | | | | | |
| Mr. Hubert Chan (Note 1) | 681,752,246 | 54.7% | 85,219,031 | 54.7% | 127,828,545 | 54.7% | 127,828,545 | 64.5% | | | | |
| Chan Chung Yin, Roy | 93,795,191 | 7.5% | 11,724,399 | 7.5% | 17,586,598 | 7.5% | 11,724,399 | 5.9% | | | | |
| Chan Ming Him, Denny | 2,616,991 | 0.2% | 327,124 | 0.2% | 490,686 | 0.2% | 327,124 | 0.2% | | | | |
| Ip Man Hon | 1,537,598 | 0.1% | 192,200 | 0.1% | 288,300 | 0.1% | 192,200 | 0.1% | | | | |
| Lam Man Hau | 625,000 | 0.1% | 78,125 | 0.1% | 117,188 | 0.1% | 78,125 | 0.04% | | | | |
| Wu Kwok Lam | 3,000 | 0.0002% | 375 | 0.0002% | 563 | 0.0002% | 375 | 0.0002% | | | | |
| Wan Man Lai, Polly | 145,000 | 0.01% | 18,125 | 0.01% | 27,188 | 0.01% | 18,125 | 0.01% | | | | |
| <i>Sub-total</i> | <u>780,475,026</u> | <u>62.7%</u> | <u>97,559,379</u> | <u>62.7%</u> | <u>146,339,068</u> | <u>62.7%</u> | <u>140,168,893</u> | <u>70.7%</u> | | | | |
| Public Shareholders | <u>464,856,230</u> | <u>37.3%</u> | <u>58,107,028</u> | <u>37.3%</u> | <u>87,160,542</u> | <u>37.3%</u> | <u>58,107,028</u> | <u>29.3%</u> | | | | |
| Total | <u>1,245,331,256</u> | <u>100.0%</u> | <u>155,666,407</u> | <u>100.0%</u> | <u>233,499,610</u> | <u>100.0%</u> | <u>198,275,921</u> | <u>100.0%</u> | | | | |

Notes:

1. The 681,752,246 Shares included 22,012,087 Shares held by Light Emotion Limited, a company owned by Mr. Hubert Chan and his wife, Josephine Liu.
2. Percentages presented in this table have been subject to rounding adjustments.

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.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any equity fund raising 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 Share Consolidation, the Change in Board Lot Size and the Rights Issue, which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

| Events | Date (Hong Kong time) |
|---|---|
| | 2026 |
| Expected despatch date of the circular, proxy form and notice of the EGM | Friday, 16 January |
| Latest time for lodging transfer of shares to qualify for attendance and voting at the EGM | 4:00 p.m. on Tuesday, 27 January |
| Closure of register of members (both days inclusive) | Wednesday, 28 January to Tuesday, 3 February |
| Latest time for lodging proxy forms for the EGM | 4:00 p.m. on Sunday, 1 February |
| Record date for determining attendance and voting at the EGM | Tuesday, 3 February |
| Expected date and time of EGM to approve the Share Consolidation | 4:00 p.m. on Tuesday, 3 February |
| Announcement of the poll results of the EGM | Tuesday, 3 February |
| Effective date of the Increase in Authorised Share Capital | Tuesday, 3 February |
| Register of members of the Company re-opens | Wednesday, 4 February |
| Effective date of the Share Consolidation | Thursday, 5 February |
| Commencement of dealings in the Consolidated Shares | 9:00 a.m. on Thursday, 5 February |

| | |
|--|--|
| Original counter for trading in the Existing Shares in board lots of 4,000 Shares (in the form of existing share certificates) temporarily closes | 9:00 a.m. on Thursday, 5 February |
| Temporary counter for trading in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens | 9:00 a.m. on Thursday, 5 February |
| First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares. | Thursday, 5 February |
| Last day of dealings in the Consolidated Shares on cum-rights basis relating to the Rights Issue | Thursday, 5 February |
| First day of dealings in the Consolidated Shares on ex-rights basis relating to the Rights Issue | Friday, 6 February |
| Latest time for the Shareholders to lodge transfer of Consolidated Shares to qualify for the Rights Issue | 4:00 p.m. on Monday, 9 February |
| Closure of register of members for the Rights Issue (both days inclusive) | Tuesday, 10 February to Monday, 16 February |
| Record date for the Rights Issue | Monday, 16 February |
| Register of members of the Company re-opens | Friday, 20 February |
| Despatch of Prospectus, PAL and EAF | Friday, 20 February |
| Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens | 9:00 a.m. on Tuesday, 24 February |
| Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences | 9:00 a.m. on Tuesday, 24 February |

| | |
|---|------------------------------------|
| Designated broker starts to stand in the market to provide matching services for odd lot of the Consolidated Shares. | 9:00 a.m. on Tuesday, 24 February |
| First day of dealings in nil-paid Rights Share | Tuesday, 24 February |
| Latest time for splitting the PAL..... | 4:00 p.m. on Thursday, 26 February |
| Last day of dealings in nil-paid Rights Shares..... | Tuesday, 3 March |
| Latest time for acceptance of and payment for the Rights Shares and application of excess Rights Shares..... | 4:00 p.m. on Friday, 6 March |
| Announcement of allotment results | Monday, 16 March |
| Temporary counter for trading in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes..... | 4:10 p.m. on Monday, 16 March |
| Parallel trading in Consolidated Shares (represented by both existing share certificates and new share certificates) ends | 4:10 p.m. on Monday, 16 March |
| Despatch of share certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for excess Rights Shares | Tuesday, 17 March |
| Expected first day of dealing in fully-paid Rights Shares | Wednesday, 18 March |
| Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares. | Wednesday, 18 March |
| Designated broker ceases to provide matching services for odd lots of the Consolidated Shares and fully-paid Rights Shares..... | 4:00 p.m. on Monday, 30 March |

All times and dates stated above refer to Hong Kong local times and dates. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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

The Latest Time for Acceptance will not take place at the time indicated above if there is a No. 8 typhoon warning signal or above, a black rainstorm warning signal and/or “extreme conditions” as announced by the Hong Kong Government:

- (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares 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 day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares 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 or before 4:00 p.m. on Friday, 6 March 2026, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

LISTING RULES IMPLICATIONS

Increase in Authorised Share Capital

The Increase in Authorised Share Capital is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution to be voted on by way of a poll at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates has any interest in the Increase in Authorised Share Capital and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting on the resolution to approve the Increase in Authorised Share Capital and the transactions contemplated thereunder by way of poll at the EGM.

Share Consolidation

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution to be voted on by way of a poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates has any interest in the Share Consolidation and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation and the transactions contemplated thereunder by way of poll at the EGM.

Rights Issue

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

GENERAL

The EGM will be convened and held to consider and, if thought fit, to approve, among other things, the Increase in Authorised Share Capital and the Share Consolidation.

A circular containing, among other things, (i) further details of the Increase in Authorised Share Capital, the Share Consolidation and the Change in Board Lot Size; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 16 January 2026.

Subject to the fulfillment of certain conditions of the Rights Issue including the approval of the Increase in Authorised Share Capital and the Share Consolidation, the Company will despatch the Prospectus Documents to the Qualifying Shareholders. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Non-Qualifying Shareholders.

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

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" in this announcement. Accordingly, the Share Consolidation may or may not proceed.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Conditions of the Rights Issue" in this announcement. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced.

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

DEFINITIONS

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

| | |
|----------------------------|---|
| “AFRC” | the Accounting and Financial Reporting Council in Hong Kong |
| “associate(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day(s)” | a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Change in Board Lot Size” | the change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 Consolidated Shares |
| “Company” | HKC International 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: 248) |
| “Consolidated Share(s)” | ordinary share(s) of HK\$0.08 each in the share capital of the Company immediately following the Share Consolidation becoming effective |

| | |
|--|--|
| “controlling shareholder(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EAF(s)” | the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares |
| “EGM” | the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Increase in Authorised Share Capital and the Share Consolidation |
| “Existing Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective |
| “General Rules of HKSCC” | 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 HKSCC Operational Procedures |
| “Group” | the Company and its subsidiaries |
| “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 from time to time |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Increase in Authorised Share Capital” | the increase in the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$40,000,000 divided into 4,000,000,000 Existing Shares by the creation of an additional 2,000,000,000 Existing Shares |
| “Irrevocable Undertaking” | the irrevocable undertaking provided by Mr. Hubert Chan and Light Emotion Limited, as more particularly described under the section headed “Irrevocable Undertaking” in this announcement |

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| “Latest Lodging Time” | 4:00 p.m. on Monday, 9 February 2026 or such other date as the Company may agree, being the latest day and time for the Shareholders to lodge transfer of Consolidated Shares to qualify for the Rights Issue |
| “Last Trading Day” | 2 January 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 Friday, 6 March 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 and application for and payment for excess Rights Shares |
| “Listing Committee” | has the meaning ascribed to it under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Hubert Chan” | Mr. Chan Chung Yee, Hubert, the Chairman, Chief Executive Officer, an executive Director and a controlling Shareholder |
| “Non-Qualifying 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 |
| “Overseas Shareholder(s)” | the 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 provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue |

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| “Prospectus” | the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue |
| “Prospectus Documents” | the Prospectus, the PAL and the EAF |
| “Prospectus Posting Date” | Friday, 20 February 2026 or such other date as the Company may determine, for the despatch of the Prospectus Documents |
| “Qualifying Shareholder(s)” | Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders |
| “Record Date” | Monday, 16 February 2026, or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue |
| “Registrar” | Union Registrars Limited, the address of which is at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, the branch share registrar of the Company in Hong Kong |
| “Rights Issue” | the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents |
| “Rights Share(s)” | Shares to be issued and allotted under the Rights Issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares in issue on the Record Date, being up to 77,833,203 Rights Shares based on the Company’s issued share capital as at the date of this announcement and conditional upon the Increase in Authorised Share Capital and the Share Consolidation becoming effective |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “Share(s)” | the Existing Share(s) and/or the Consolidated Share(s), as the case may be |

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| “Share Consolidation” | the proposed consolidation of every eight (8) Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.08 in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the issued Share(s) |
| “Shareholder’s Loan” | the shareholder’s loan advanced or to be advanced by Mr. Hubert Chan to the Group |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | HK\$0.28 per Rights Share |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “%” | per cent |

By Order of the Board
HKC International Holdings Limited
Chan Chung Yee, Hubert
Chairman

Hong Kong, 2 January 2026

As at the date of this announcement, the Board comprises Mr. Chan Chung Yee, Hubert, Mr. Chan Chung Yin, Roy, Mr. Chan Ming Him, Denny, Mr. Wu Kwok Lam, Mr. Ip Man Hon, Mr. Lam Man Hau and Ms. Wan Man Lai, Polly as executive directors and Mr. Chiu Ngar Wing, Dr. Chu Chor Lup, Dr. Law Ka Hung and Mr. Wong Kwok Leung as independent non-executive directors.

* For identification purpose only