

Date this day of 19 July, 2024

Trendzon Holdings Group Limited

(the “**Issuer**”)

AND

Sunhigh Financial Holdings Limited

(the “**Placing Agent**”)

PLACING AGREEMENT

relating to the placing of up to
610,880,000 Rights Shares in the share capital of
Trendzon Holdings Group Limited
to be issued under the Rights Issue on the basis of
four (4) Rights Shares for every one (1) Consolidated Share
held on the Record Date

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THIS AGREEMENT is made the 19 July, 2024.

BETWEEN:

- (1) **Trendzon Holdings Group Limited**, a company incorporated in Cayman Islands with limited liability and whose registered office is at Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands and whose principal place of business in Hong Kong is situated at Room 39, 10/F, Block D, Mai Tak Industry Building, 221 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (the “**Issuer**”); and
- (2) **Sunhigh Financial Holdings Limited**, a company incorporated in Hong Kong with limited liability and having its registered office at Unit D, 21/F, Yardley Commercial Building, 3 Connaught Road West, Sheung Wan, Hong Kong (the “**Placing Agent**”).

WHEREAS:

- (A) The Issuer is incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange and has at the date of this Agreement an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 Existing Shares of which 1,416,800,000 Shares are issued and are fully paid or credited as fully-paid and 8,583,200,000 Shares remained unissued.
- (B) The Issuer has determined to conduct the Proposed Rights Issue (as defined below).
- (C) The Issuer hereby appoints the Placing Agent upon the terms and conditions herein and the Placing Agent has agreed to accept the appointment and use its best endeavour to procure subscribers for the Placing Shares (as defined below) upon and subject to the terms and conditions set out in this Agreement.
- (D) The Issuer has agreed to give certain representations, warranties and undertakings in connection with the Placing (as defined below) upon and subject to the terms and conditions set out in this Agreement.
- (E) Application will be made to the Stock Exchange (as defined hereinafter) by the Issuer for permission to deal in and listing of the Rights Shares.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, except where the context otherwise requires, the following words and expressions have the following meanings: -

“acting in concert”	has the meaning as ascribed to it in the Takeovers Code;
“AFRC”	means the Accounting and Financial Reporting Council of Hong Kong;
“Agreement”	means this Placing Agreement, including the Schedules, as amended from time to time;
“Announcement”	means the announcement to be made by the Issuer regarding, among other things, the Rights Issue and the Placing substantially in the form as set out in <i>Schedule 1</i> hereto and subject to such modifications as the Stock Exchange may require to be issued on behalf of the Issuer immediately following the execution of this Agreement;
“associate(s)”	has the same meaning as in the Listing Rules;
“Business Day”	means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. or extreme weather condition is announced) on which banks in Hong Kong are generally open for business throughout their normal business hours;
“CCASS”	means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Issuer Limited;
“Change in Board Lot Size”	the proposed change in board lot size of the issued Shares for trading from 4,000 Existing Shares to 12,000 Consolidated Shares;
“Companies Ordinance”	means the Companies Ordinance (Cap.32 of the Laws of Hong Kong);
“Completion”	means completion of the Placing in accordance with the terms and condition set out in this Agreement;
“Complying Applications”	means valid applications under the PALs in accordance with the terms of the Prospectus Documents together with cheques or cashier’s orders or other remittances for the full amount payable in respect of the Rights Shares being applied for under such PALs which are honoured on first or, at the discretion of the Issuer, subsequent presentation;
“Conditions”	means the conditions of the Placing referred to in Clause 4;
“Consolidated	means ordinary share(s) of HK\$0.1 each in the share capital of the Issuer immediately following the Share Consolidation

Share(s)	becoming effective;
“EGM”	means the extraordinary general meeting of the Issuer to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue, this Agreement, and the transactions contemplated thereunder;
“Encumbrance”	means any interest or equity of any person (including any right to acquire, option or right of pre-emption), voting arrangement, mortgage, charge, pledge, bill of sale, lien, deposit, hypothecation, assignment or any other encumbrance, priority or security interest or arrangement or interest under any contract or trust or any other third party interest of whatsoever nature over or in the relevant property;
“Existing Share(s)”	means ordinary share(s) of HK\$0.01 each in the share capital of the Issuer prior to the Share Consolidation having become effective;
“Group”	means the Issuer and its subsidiaries and the expression “member(s) of the Group” shall be construed accordingly;
“HK\$”	means the lawful currency of Hong Kong for the time being;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Parties”	means parties who are independent of and not connected with the directors, chief executives or substantial shareholders of the Issuer or any of its subsidiaries, or any of their respective associates (as defined in the Listing Rules);
“Latest Time for Acceptance”	means 4:00 p.m. on Monday, 7 October 2024 (or such other time and date as may be determined by the Issuer), being the latest time for acceptance of and payment for the Rights Shares;
“Latest Time for Termination”	means 4:00 p.m. on Monday, 14 October 2024 or such later time or date as may be agreed between the Placing Agent and the Issuer, being the latest time to terminate the Placing Agreement;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	means those Overseas Shareholder(s) whom the directors of the Issuer, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue;

“NQS Unsold Rights Shares”	means the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Issuer;
“PAL(s)”	means the provisional allotment letter(s) for the Rights Shares which shall be in the agreed form;
“Parties”	means the Issuer, the Placing Agent and “Party” means any one of them;
“Placee(s)”	means placee(s) who are Independent Third Parties procured or to be procured by the Placing Agent to subscribe for or purchase the Placing Shares pursuant to the provisions of this Agreement;
“Placing”	means the placing of the Placing Shares by the Placing Agent on the terms and subject to the conditions of this Agreement;
“Placing Period”	a period commencing from the second Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Tuesday, 8 October 2024, and ending at 4:00 p.m. on Monday, 14 October 2024;
“Placing Price”	not less than HK\$0.18 per Placing Share (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable), which is the same as the Subscription Price and the final price determination shall depends on the demand and market conditions of the Placing Shares;
“Placing Shares”	means the Unsubscribed Rights Shares and the NQS Unsold Rights Shares in the maximum aggregate number of 610,880,000 Rights Shares with the benefit of and subject to the provisions of the Conditions;
“Prospectus”	the prospectus to be issued by the Issuer for the Rights Issue;
“Prospectus Documents”	the Prospectus and the PAL;
“Proposed Rights Issue”	the proposed issue by way of rights of four (4) Rights Shares for every one (1) Consolidated Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the relevant conditions;
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Issuer on the Record Date;
“Record Date”	means Thursday, 19 September 2024 (or such other date as

	may agree in writing with the Issuer), as the date by reference to which entitlements to the Proposed Rights Issue are expected to be determined;
“Rights Issue”	the proposed offer for subscription by the Qualifying Shareholders for the Rights Shares at the Subscription Price on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents and as briefly described in the Announcement;
“Settlement Date”	the date being 14 October 2024, or such other date as the Issuer may determine;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“Shares”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be;
“Shareholder(s)”	the holder(s) of the issued Share(s);
“Share(s) Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.1
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the issue price of HK\$0.18 per Rights Share at which the Rights Shares are proposed to be offered for subscription;
“subsidiary(ies)”	has the meaning ascribed thereto it in section 15 of the Companies Ordinance;
“Takeovers Code”	means the Code on Takeovers and Mergers;
“Unsubscribed Rights Shares”	such number of Rights Shares in respect of which Complying Applications have not been lodged for acceptance or not fully paid by the Latest Time for Acceptance, including any Rights Shares to which the Non-Qualifying Shareholders would not have otherwise been entitled under the Rights Issue;
“%” or “per cent.”	means percentage or per centum.

1.2 In this Agreement, except where the context otherwise requires: -

an “agreement” includes any oral, written, express or implied concession, contract, deed, licence, release, treaty, undertaking or waiver;

a “day”, “month” or “year” shall be construed by reference to the Gregorian calendar;

“including” shall be construed as "including without limitation" (and cognate expressions shall be construed similarly);

“law” includes statute and other primary or secondary enactments, conventions, provisions, rules of common, civil or customary law, administrative enactments and treaties, having the force of law and “unlawful” shall be construed accordingly;

a “person” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and

a time of day is a reference to Hong Kong time.

1.3 References in this Agreement to any enactment shall be deemed to include references to such enactment as amended, extended or re-enacted, provided that no such deemed references shall have effect to extend or increase the liability of any party hereunder.

1.4 References in this Agreement to any party hereto shall, where relevant, be deemed to be references to or to include (as appropriate) their respective successors or assigns (whether pursuant to any merger or amalgamation or otherwise howsoever).

1.5 References to the singular shall include references to the plural and vice versa and references to genders shall include the other and the neutral genders as the context requires.

1.6 The clause headings in this Agreement and in the schedules and appendices are for convenience only and shall not affect the interpretation or construction of this Agreement.

1.7 References to clauses, paragraphs, sub-clauses, schedules and appendices are, except where the context otherwise requires, to be constructed respectively as references to clauses, paragraphs, sub-clauses, schedules, and appendices to this Agreement.

- 1.8 References in this Agreement to “this Agreement” or any other documents shall, except otherwise expressly provided, include reference to this Agreement or such other document as amended, extended, novated, replaced and/or supplemented in any manner from time to time and/or any document which amends, extends, novates, replaces and/or supplements this Agreement or any such other document.

2. APPOINTMENT OF AGENT

- 2.1 The Issuer irrevocably and unconditionally appoints the Placing Agent as its sole agent for the purpose of the Placing and the Placing Agent agrees as agent of the Issuer to (itself or through its sub-placing agent(s)), on best effort basis, to procure Placees to subscribe for the Placing Shares at the Placing Price (together with such brokerage, Stock Exchange trading fee, SFC transaction levy, investor compensation levy, stamp duty (if any) and CCASS transaction fee (if any) as may be payable by subscribers) and otherwise on the terms and subject to the conditions set out in this Agreement and the Placing Agent accepts the appointment.
- 2.2 The Issuer confirms that the appointment made pursuant to Clause 2.1 confers on the Placing Agent all powers, authorities and discretions on behalf of the Issuer which are necessary for, or reasonably incidental to, the Placing and the Issuer agrees to ratify and confirm everything which the Placing Agent lawfully, properly and reasonably do in the proper exercise of such appointment, powers, authorities and discretions.

3. THE PLACING

- 3.1 The Issuer hereby appoints the Placing Agent as its agent to procure, during the Placing Period, up to 610,880,000 Rights Shares at the Placing Price, Placees for the terms and subject to the conditions set out in this Agreement. Any transaction legally, properly and reasonably carried out by the Placing Agent (and any sub-placing agent(s)) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Issuer and as its agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of its own fraud, default, breach of this Agreement or negligence) to the Issuer arising from any such transaction or for any alleged insufficiency of the price at which the Placing Shares are issued and allotted hereunder.
- 3.2 The Placing Shares shall be offered by the Placing Agent as agent for the Issuer at the Placing Price (together with such brokerage, Stock Exchange trading fee, SFC transaction levy, investor compensation levy, stamp duty (if any) and CCASS transaction fee (if any)

as may be payable by subscribers) during the period from the execution of this Agreement by the parties up to the end of the Placing Period.

- 3.3 Subject to fulfilment of the Conditions, the Issuer shall be obliged to allot and issue the Unsubscribed Rights Shares to the Placees procured by the Placing Agent in accordance with the articles of association of the Issuer, all applicable laws of Hong Kong and the rules and regulations of the Stock Exchange, and the Unsubscribed Rights Shares shall rank pari passu in all respects among themselves and with the Consolidated Shares in issue and be free and clear from all Encumbrances and together with all rights attaching thereto upon receipt of the subscription moneys payable for the relevant amount of Placing Shares, including but not limited to the right to receive all future dividends or other distributions thereafter declared, made or paid on the Placing Shares.
- 3.4 Prior to the Completion and by no later than 12:00 p.m. on the next Business Day after the Placing Agent has procured the Placees to subscribe for the Unsubscribed Rights Shares (or such later date as may be agreed between the parties hereto in writing), the Placing Agent shall deliver to the Issuer the names, addresses and denominations (in board lots or otherwise) in which the Unsubscribed Rights Shares are to be registered and, where relevant, the CCASS accounts to which the Unsubscribed Shares are to be credited. The choice of the Placees shall be determined by the Placing Agent at its sole discretion subject to the requirements of the Listing Rules and/or any objection the Stock Exchange may have to any particular person or company being a Placee PROVIDED that the Placing Agent undertakes to use its best endeavours to procure that the Placing Shares shall only be placed to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are Independent Third Parties and not connected with the Issuer, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules) and not acting in concert (within the meaning of the Takeovers Code), that will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code, and will not result in the Company incapable of complying with the public float requirements under the Listing Rules. .
- 3.5 The Placing Agent hereby warrants and undertakes to the Issuer that:-
- (a) the Placing will be a private placement of securities and not an offer to the public within the meaning of the Companies Ordinance and will be effected by conversations leading to concluded contracts without the dispatch of documents until after legally binding commitments to subscribe the Placing Shares have been obtained from each Placee in the course of such communications and will be confirmed by a Placing Confirmation Letter;
 - (b) it will ensure that the terms and conditions on which each Placee will subscribe the Placing Shares, and the principal amount of such Placing Shares to be subscribed, are covered in precise terms and agreed with each Placee in the Placing Confirmation Letter and will not make any representation or warranty in connection with the Placing Shares other than contained in the Announcement or previously approved by the Issuer;

- (c) no action has been or will be taken directly or indirectly in any jurisdiction that would result in a public offering of the Placing Shares and neither it nor persons acting on its behalf will offer any Placing Shares otherwise than in compliance with applicable laws and regulations in each jurisdiction in which any such offer or sale takes place;
- (d) it will comply with all applicable laws and regulations in each jurisdiction in which it may offer the Placing Shares so that the Placing will be a private placement not requiring any form of prospectus or offering document or registration or filing with any authority;
- (e) it will ensure that it receives a confirmation from each Placee that it is independent of and not connected with any of the directors, chief executives, substantial shareholders or management shareholders of the Issuer or any of its subsidiaries or their respective associates or any parties acting in concert with any of them, as such term is defined in the Listing Rules or the Takeovers Code (as the case may be);
- (f) it will require and procure that any sub-placing agent or other person through whom it may effect the Placing or offer any Placing Shares shall observe the foregoing provision of this clause 3.5; and
- (g) it shall procure the Placees to confirm that the Placees and (where applicable) their respective beneficial owner(s) are professional, institutional and/or individual investors independent of and not connected with any of the directors, chief executives, substantial shareholders or management shareholders of the Issuer or any of its subsidiaries or their respective associates or any parties acting in concert with any of them (as those terms are defined in the Listing Rules or the Takeovers Code (as the case may be)).

3.6 The Placing Agent represents, warrants and undertakes to the Issuer that it has not taken, and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably have been expected to cause or result in stabilisation or manipulation of the price of the Placing Shares, except for stabilisation activities conducted in accordance with applicable law and stock exchange requirements.

3.7 The Placing Agent shall provide (and procure the sub-placing agents to provide) a list of the Placees to the Stock Exchange and (if required) the Executive Director of the Corporate Finance Division of the SFC (or any delegate of the Executive Director).

4. CONDITIONS OF THE PLACING

4.1 Completion of the Placing is conditional upon the following conditions being fulfilled:

- (a) the Share Consolidation and Change in Board Lot Size becoming effective;
- (b) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and the NQS Unsold Rights Shares in their nil-paid and fully-paid forms;
- (c) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, if though fit, approve, among others, the Rights Issue, the Agreement and the transactions contemplated thereunder;
- (d) none of the representations, warranties or undertakings contained in the Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of Completion; and
- (e) the Agreement not having been terminated in accordance with the provisions hereof.

4.2 If the Condition is not fulfilled on or before the end of the Placing Period (or such later date as may be agreed between the Issuer and the Placing Agent in writing), the Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the conditions (other than those set out in paragraph (b) above) by notice in writing to the Issuer.

4.3 Each of parties hereto undertakes to use its best endeavours to procure that the Conditions are fulfilled in accordance with their terms as soon as possible and in any event on or before the date set in accordance with Clause 4.2 and for that purpose will give all such undertakings, execute such documents and do such other things as may be necessary or required by each other, the SFC and/or the Stock Exchange.

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE ISSUER

5.1 The Issuer hereby represents, warrants and undertakes to the Placing Agent that:-

- (a) subject to the fulfilment of the conditions set out in Clause 4.1, all authorities necessary to enable the issue of the Placing Shares and the allotment and issue of the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Placing Shares has been obtained;

- (b) the creation and issue of the Placing Shares and the creation, allotment and issue of the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Placing Shares will be within its powers and in accordance with its memorandum of association and articles and will comply with all statutory requirements, including the law of Hong Kong and Cayman Islands, and with the rules and regulations of the Stock Exchange and will rank *pari passu* in all respects *inter se* and with all other Shares in issue as at the date of such allotment and issue;
- (c) without prejudice to the generality of this Clause 5.1, the Placing Shares will be allotted and issued by the directors of the Issuer to Placees pursuant to a valid, unconditional and subsisting mandate given to such directors by the shareholders of the Issuer;
- (d) the Placing Shares will be issued and the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Placing Shares will be allotted and issued pursuant to this Agreement free from all Encumbrances and will rank *pari passu* in all respects with the Shares in issue and in particular will have the right to receive all dividends or other distributions hereafter declared paid or made on such Shares with reference to a record date occurring on or after Completion;
- (e) the Issuer has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legally binding obligations of the Issuer and the creation and issue of the Placing Shares and the creation, allotment and issue of the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Placing Shares pursuant to this Agreement will not cause any breach of any agreement to which the Issuer and/or any of its subsidiaries is a party or by which it is or any of them is bound and will not infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract, obligations or commitment whatsoever of, the Issuer and/or any of its subsidiaries and/or their respective boards of directors;
- (f) the Announcement and the particulars of the Issuer as set out in this Agreement, are true and accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (g) the entire existing issued share capital of the Issuer is listed and will continue to be listed on the Stock Exchange at Completion and the Issuer is not aware of any circumstances whereby such listing will be suspended, cancelled or revoked (save for any temporary suspension pending any announcement in connection with the Placing and/or this Agreement).
- (h) the Announcement contains and will contain all information required to be set out therein under the Listing Rules and all other applicable codes, regulations (whether or not having the force of law) and legislation in Hong Kong and the Cayman Islands.

- (i) the Issuer is not in breach of any rules, regulations or requirements of the SFC or its listing agreement made with the SFC, except as may have been disclosed by the Issuer by way of press announcement.
- (j) save for the Announcement, the Prospectus Documents and any other disclosure as may be required to be made in compliance with the Listing Rules or any other applicable laws, rules and regulations and/or as may be required by the relevant authority, no announcements, press releases or other general public disclosure in relation to the Placing shall be made by any of them without the prior written consent of the other party (such consent shall not be unreasonably withheld or delayed).
- (k) the representations, warranties and undertakings contained in this Clause are deemed to be given as at the date of this Agreement and shall be deemed to be repeated on the Settlement Date as if given on such date with reference in each case to the facts and circumstances then subsisting and shall remain in full force and effect notwithstanding Completion. Each party hereto hereby undertakes to notify the other party to this Agreement of any matter or event coming to its attention which may render any of the representations, warranties or undertakings untrue or inaccurate or misleading in any material respect at any time prior to the Settlement Date. The representations and warranties contained in this Clause 6 are deemed to be given as at the date hereof and shall remain in full force and effect notwithstanding the completion of the Placing. The Issuer hereby undertakes to as soon as practicable notify the other parties to this Agreement of any matter or event coming to its attention prior to Completion which shows any relevant representation or warranty to be or to have been untrue, inaccurate or the omission of which renders such representation or warranty untrue or inaccurate at the date hereof or at any time prior to Completion.
- (l) The representations and warranties contained in this Clause 5 are deemed to be given as at the date hereof and shall remain in full force and effect notwithstanding the completion of the Placing. The Issuer hereby undertakes to as soon as practicable notify the other parties to this Agreement of any matter or event coming to its attention prior to Completion which shows any relevant representation or warranty to be or to have been untrue, inaccurate or the omission of which renders such representation or warranty untrue or inaccurate at the date hereof or at any time prior to Completion.

6. GENERAL REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE PLACING AGENT

6.1 The Placing Agent hereby represents, warrants and undertakes to the Issuer that:

- (a) it has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legal, valid and binding obligations of the Placing Agent which shall be enforceable against the Placing Agent in accordance with its terms and condition.
- (b) the Unsubscribed Rights Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meaning of the Companies Ordinance or in any other place or in any manner in which the securities laws, rules or regulations of any place may be infringed or not complied with.
- (c) the Placing Agent will use its best endeavours and make all reasonable enquiries to ensure that the Placees and their respective ultimate beneficial owners (if applicable) will be third parties independent of, and not connected with the Issuer, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules) and not acting in concert (within the meaning of the Takeovers Code).
- (d) the Placing Agent will make available and promptly supply, or use its best endeavours to procure the relevant Placees to make available and promptly supply, to the Stock Exchange and the SFC or any other relevant authority all information in relation to the Placees which may be required by the Stock Exchange, the SFC and/or such other authority.
- (e) the Placing Agent will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange and if applicable, the rules and codes of the SFC in relation to its role as placing agent for the Placing, and will issue appropriate written confirmation of such fulfillment and compliance upon request by the Issuer and/or the relevant authority.
- (f) the Placing Agent undertakes that, save for the Announcement, the Prospectus Documents and any other disclosure as may be required to be made in compliance with the Listing Rules or any other applicable laws, rules and regulations and/or as may be required by the relevant authority, no announcements, press releases or other general public disclosure in relation to the Placing shall be made by any of them without the prior written consent of the other party (such consent shall not be unreasonably withheld or delayed).
- (g) the representations, warranties and undertakings contained in this Clause are deemed to be given as at the date of this Agreement and shall be deemed to be repeated on the Settlement Date as if given on such date with reference in each case to the facts and

circumstances then subsisting and shall remain in full force and effect notwithstanding Completion. Each party hereto hereby undertakes to notify the other party to this Agreement of any matter or event coming to its attention which may render any of the representations, warranties or undertakings untrue or inaccurate or misleading in any material respect at any time prior to the Settlement Date.

- (h) The representations and warranties contained in this Clause 6 are deemed to be given as at the date hereof and shall remain in full force and effect notwithstanding the completion of the Placing. The Issuer hereby undertakes to as soon as practicable notify the other parties to this Agreement of any matter or event coming to its attention prior to Completion which shows any relevant representation or warranty to be or to have been untrue, inaccurate or the omission of which renders such representation or warranty untrue or inaccurate at the date hereof or at any time prior to Completion.

7. COMPLETION

7.1 Completion of this Agreement shall take place at 4:00 p.m. on the Settlement Date at the principal office of the Issuer in Hong Kong (or such other date, time and/or place as the parties hereto may agree in writing) when all (but, not part only) of the following businesses shall be transacted:

- (a) the Placing Agent shall effect payment to the Issuer by way of cheque or cashier order or telegraphic transfer in Hong Kong dollars for value to the Issuer of an amount equal to the Placing Price multiplied by the number of the Unsubscribed Rights Shares actually placed by the Placing Agent less the amounts deducted by the Placing Agent under Clause 8; and
- (b) the Issuer shall allot and issue to the Placees such number of the Unsubscribed Rights Shares subscribed by them and shall procure that the Placees or their nominees be registered on the register of members of the Issuer in Hong Kong in respect thereof, and shall arrange to deliver to the Placing Agent the definitive share certificates in the form of jumbo certificate or in such denomination as the Placing Agent may instruct issued in the names of the Placees or their nominees in respect of such number of Unsubscribed Rights Shares to be subscribed by each of them respectively and in accordance with such instructions referred to above or arrange for the Unsubscribed Rights Shares to be deposited into CCASS in accordance with such instructions and the Prospectus.

8. COMMISSION AND EXPENSES

- 8.1 The Issuer shall pay to the Placing Agent a placing commission of 1.0 per cent. of the aggregate Placing Price of the Placing Shares successfully placed by the Placing Agent to the Placees or Placing Agent or its nominees, which the Placing Agent is hereby authorised to deduct from the payment to be made by them to the Issuer under Clause 8.2. The Placing Agent is hereby also authorised to deduct from the proceeds of the Placing (i) any out-of-pocket expenses reasonably and properly incurred by the Placing Agent (not including professional charges) in connection with the Placing and (ii) the Issuer's share of the Stock Exchange trading fee, the SFC transaction levy and the investor compensation levy, if so required to be paid by the Issuer.
- 8.2 The Issuer shall pay all Hong Kong stamp duty (other than subscribers' Hong Kong stamp duty on the bought notes and instruments of transfer referred to in Clause 8) and all brokerage, trading fee, transaction levy in relation to the Placing (if any), any and all fees payable to the Stock Exchange and the SFC, and all charges, fees and expenses of the Issuer's share registrar including (without limitation) their fees and expenses in effecting the transfer of the Placing Shares, and the issue of certificates therefor in board lots, to the placees or, where applicable, the Placing Agent or its nominees, all of which amounts the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Issuer pursuant to Clause 8.2.
- 8.3 The Issuer shall bear all costs and expenses including legal fees, incurred by it in relation to the Placing.
- 8.4 The Issuer hereby acknowledges that, in addition to the commissions, costs, charges and expenses referred to in Clause 8.1, the Placing Agent shall be entitled to keep for their own account any brokerage that it may receive from the Placees.
- 8.5 Without prejudice to the generality of this Clause 8, the Issuer will be responsible for and pay all reasonable costs and expenses (including legal expenses) incurred by it in connection with:
- (i) the preparation and release of the Announcement and the negotiation, preparation and completion of this Agreement; and
 - (ii) the issue of the Placing Shares.

9. TERMINATION AND FORCE MAJEURE

9.1 Notwithstanding anything contained in this Agreement, the Placing Agent shall be entitled to terminate this Agreement without any liability to the Issuer save for antecedent breach under this Agreement prior to such termination by notice in writing to the Issuer given prior to 10:00 a.m. on the Business Day preceding the relevant date of Completion to terminate this Agreement upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in this Agreement if :-

(a) there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong, national or international or forming part of a series of events, developments or changes occurring or continuing the date of the Agreement; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iii) 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 Issuer; or
- (iv) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
- (v) any litigation or claim being instigated against any member of the Issuer, which has or may have a material adverse effect on the business or financial position of the Issuer and which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the Placing; or

(b) any material breach of any of the representations and warranties set out in the Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Agreement and prior to the Completion which if it had occurred or arisen before the date of the Agreement would have rendered any

of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Issuer of any other provision of the Agreement; or

- (c) there is any adverse change in the financial position of the Issuer which is material in the context of the Placing; or
- (d) there is any adverse change in market conditions occurs which makes it inexpedient or inadvisable to proceed or any suspension in the trading of the Issuer's securities on the Stock Exchange for a period of more than thirty (30) consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement, the circular or other documents in connection with the Placing; or
- (e) the Unsubscribed Rights Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any places as contemplated in this Agreement.

then and in any such case, the Placing Agent may terminate this Agreement without liability to the Issuer by giving notice in writing to the Issuer, provided that such notice is received prior to 10:00 a.m. on the Business Day preceding the relevant date of Completion.

- 9.2 In the event that the Placing Agent terminates this Agreement pursuant to Clause 9.1; and/or all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the nil-paid rights on or before the Latest Time for Acceptance, this Agreement shall terminate, all obligations of each of the parties under this Agreement shall cease and determine and no party shall be under any liability to the other party in respect of this Agreement nor have any claim against any other party in respect of any matter arising out of or in connection with this Agreement except for any antecedent breach of any obligation under this Agreement.

10. **THE ANNOUNCEMENT**

- 10.1 Subject to the publication of the Announcement and save as otherwise required by the Stock Exchange or the SFC or as required by any rules, regulations or laws to which any member of the Group is subject, the Issuer agrees that no public announcement or communication (the "**Communication**") to shareholders of the Issuer or to the Stock Exchange or to the SFC concerning the Placing shall be made or despatched by the Issuer or any other member of the Group between the date hereof and the Completion without prior written notice to the Placing Agent as to the content, timing and manner of making or despatch thereof and shall notify the Placing Agent forthwith prior to the release of any Communication concerning the Placing and/or any other member of the Group which is

material in relation to the Placing and the Placing Agent undertakes to the Issuer to keep confidential all information contained in such announcement or communication.

11. INDEMNITY AND NO CLAIMS

- 11.1 The Issuer undertakes with the Placing Agent on demand to hold the Placing Agent fully and effectively indemnified against all losses, claims, costs, charges and expenses (except those arising out of or as a result of any fraud, wilful default or gross negligence on the part of the Placing Agent) which the Placing Agent may suffer or incur or which may be brought against or incurred by the Placing Agent arising out of or as a result of the proper performance by the Placing Agent of its obligations under this Agreement or any breach or a third party alleging breach by the Issuer of any provision of this Agreement or any breach by the Issuer of any warranty or undertaking and any failure by the Issuer to perform any of its/his respective obligations under this Agreement.
- 11.2 No claim shall be made against the Placing Agent by the Issuer to recover any damage, cost, charge or expense which the Issuer may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing provided that such damage, cost, charge or expense is not suffered or incurred directly or indirectly as a result of any fraud, wilful default or gross negligence on the part of the Placing Agent or any of its affiliates and other person(s) (where appropriate) through whom it may directly or indirectly effect the Placing or offer any Placing Shares or in connection with a breach by any of the aforesaid of the provisions of this Agreement.

12. TIME OF THE ESSENCE

- 12.1 Time will be of the essence of this Agreement.

13. COSTS

- 13.1 Subject to Clause 8, each of the parties to this Agreement will bear its own costs and expenses incurred in connection with the Placing.

14. MISCELLANEOUS

- 14.1 All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters which have already been performed. All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters which have already been performed.
- 14.2 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of parties hereto may execute this Agreement by signing any such counterparts.
- 14.3 This Agreement shall be binding on and endure for the benefit of the successors of the parties hereto but assignment may only be made after prior written consent of the other party has been given.

15. NOTICES AND COMMUNICATION

- 15.1 Except as otherwise expressly provided within this Agreement, no notice or other communication from one party to the other shall have any validity under this Agreement unless made in writing by or on behalf of the party concerned.
- 15.2 Any notice or other communication which is to be given by or on behalf of the Placing Agent to the Issuer shall be given by letter (sent by hand, recorded delivery or special delivery), or by the internet, facsimile transmission, electronic mail, mobile phone or any other electronic means of communication (“**Electronic Means**”). Such notice or other communication shall be addressed to the Issuer in the manner referred to in clause 15.4. Provided the relevant communication is not returned as undelivered, the notice or communication shall be deemed to have been given two (2) Business Days after the day on which the letter was posted, or four (4) hours, in the case of Electronic Means or sooner where the Issuer acknowledges receipt of such letters or Electronic Means.
- 15.3 Any notice or other communication given by the Issuer to the Placing Agent shall be given at the risk of the Issuer. Such notice or other communication shall be addressed to the Placing Agent in the manner referred to in clause 15.4 and shall be effective only upon actual receipt by the Placing Agent.
- 15.4 For the purposes of clause 15.2, the address of each Party shall be:

(i) For the Issuer:

Address: Room 39, 10/F, Block D, Mai Tak Industry Building, 221 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong

Tel: (852) 2838 0029

Fax: (852) 2838 0051

Email: admin.trendzon@outlook.com

For the attention of: The Board of Directors

(ii) For the Placing Agent

Address: Unit D, 21/F, Yardley Commercial Building, 3 Connaught Road West, Sheung Wan, Hong Kong

Tel: (852) 2591 2304

Fax: (852) 2591 2372

Email: cs@sunhighfin.com.hk

For the attention of: Sunny

- 15.5 The aforementioned addresses and other details of either party may be changed at any time by giving prior notice to the other party in accordance with the foregoing.
- 15.6 The Issuer shall issue a written notice to the Placing Agent if there is any change in the timetable in respect of the Rights Issue.
- 15.7 This clause 15 shall apply to the service of any proceedings or documents in any legal action.

16. GOVERNING LAW AND SUBMISSION TO THE JURISDICTION

- 16.1 This Agreement shall be governed by and construed in accordance with Hong Kong laws and each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the Courts of Hong Kong.

17. ENTIRE AGREEMENT

- 17.1 This Agreement supersedes any and all prior agreements, undertakings, representations and negotiations, either oral or written, between the parties hereto with respect to the rendering of the services by the Placing Agent to the Issuer contemplated under this Agreement.

18. NO PARTNERSHIP

- 18.1 Nothing in this Agreement shall be construed as establishing or implying any partnership or joint venture between the parties hereto, and nothing in this Agreement shall be deemed to constitute either of the parties hereto as the agent of the other party or authorise either party (i) to incur any expenses on behalf of the other party, (ii) to enter into any engagement or make any representation or warranty on behalf of the other party, (iii) to pledge the credit of, or otherwise bind or oblige the other party in any way whatsoever, without in each case obtaining the other party's prior written consent.

19. SEVERABILITY

- 19.1 Any provision of this Agreement prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Agreement and rendered ineffective so far as is possible without modifying the remaining provisions of this Agreement. Where however the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that this Agreement shall be a valid and binding agreement enforceable in accordance with its terms.

20. NO WAIVER

- 20.1 No failure or delay in exercising any power, right or privilege hereunder on the part of the Placing Agent shall operate as a waiver thereof, nor shall any single or partial exercise of any power, right or privilege preclude any other or further exercise or enforcement of any other power right or privilege. The rights and remedies herein provided in favour of the Placing Agent are cumulative and are additional to any rights or remedies provided by law.

21. SUCCESSORS AND ASSIGNS

- 21.1 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns (as the case may be), except that the Placing Agent may assign or transfer any of their rights, benefits, duties or obligations hereunder.

- 21.2 Any representation, warranty, undertaking and arrangement on the part of the Issuer shall survive the making of any assignment instrument of transfer bought and sold note or such other document by the Issuer hereunder, the change in the name of the Issuer.

22. COUNTERPARTS

- 22.1 This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which is an original but, together, they constitute one and the same agreement.

23. THIRD PARTY RIGHTS

- 23.1 Without prejudice to clause 23.3, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) (the “**Third Parties Ordinance**”) to enforce or to enjoy the benefit of any term of this Agreement.
- 23.2 Notwithstanding any provision contained herein, the consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.
- 23.3 Any director, officer, or employee of the parties hereto may, by virtue of the Third Parties Ordinance, rely on any provision herein (including without limitation any indemnity, limitation or exclusion of liability) which expressly confers rights or benefits on that person.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SIGNED by)
Trendzon Holdings Group Limited)
duly authorized by its board of directors)
in the presence of:-)
)

For and on behalf of
TRENDZON HOLDINGS GROUP LIMITED
卓航控股集團有限公司

.....
Authorized Signature(s)

SIGNED by)
Sunhigh Financial Holdings Limited)
duly authorized by its board of directors)
in the presence of:-)
)

For and on behalf of
SUNHIGH FINANCIAL HOLDINGS LIMITED
聖衡金融控股有限公司

.....
Authorized Signature(s)

SCHEDULE 1 – THE ANNOUNCEMENT

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



Trendzon Holdings Group Limited

卓航控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARES
FOR EVERY ONE (1) CONSOLIDATED SHARE
HELD ON THE RECORD DATE ON
A NON-UNDERWRITTEN BASIS; AND
(4) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS
UNDER THE SHARE OPTION SCHEME**

Financial adviser to the Company



Placing Agent



**聖衡金控
SUNHIGH**
FINANCIAL HOLDINGS

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
淩博資本有限公司

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.1 each.

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 1,416,800,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective but before the completion of the Rights Issue, the authorised share capital of the Company will become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.1 each, of which 141,680,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

No Shareholder is involved or interested in or has a material interest in the Share Consolidation and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting in favour of the resolution to approve the Share Consolidation and the transactions contemplated thereunder by way of poll at 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 12,000 Consolidated Shares upon the Share Consolidation becoming effective.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to, among other things, the Share Consolidation becoming effective, to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price of HK\$0.18 per Rights Share, to raise up gross proceeds to (i) approximately HK\$102.0 million before expenses by way of issuing up to 566,720,000 Rights Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than as a result of the Share Consolidation); or (ii) approximately HK\$110.0 million before expenses by way of issuing up to 610,880,000 Rights Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than as a result of the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options).

The estimated maximum net proceeds from the Rights Issue, if fully subscribed, after deducting all necessary expenses, are estimated to be approximately HK\$107.0 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 fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

The Company will make arrangements as described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

On 19 July 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed to procure independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. The placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares shall be not less than the Subscription Price. The final price will be determined based on the demand for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and market conditions during the process of the Placing.

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

The Rights Issue is conditional upon fulfillment 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.

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 EGM

The register of members of the Company will be closed from Monday, 2 September, 2024 to Thursday, 5 September 2024 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Thursday, 12 September 2024 to Thursday, 19 September 2024 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, the subscription prices on the exercise of the Share Options and/or number of Shares related to the Share Options under the Share Option Scheme may be adjusted in accordance with the Share Option Scheme upon the Rights Issue becoming unconditional.

The Company will notify the holders (if any) of the Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by the Independent Financial Adviser.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Share Consolidation), the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, the Company does not have any controlling shareholder and none of the Directors and the chief executive of the Company and their respective associates holds any Shares. Accordingly, no Shareholder shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM and no Director shall abstain from voting in favour of the Rights Issue at the meeting of the Board.

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.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wu Kai Tang will be established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, on whether the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. In this connection, Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

GENERAL

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.

The Circular containing, among other things, (i) further details of the Share Consolidation, the Change in Board Lot Size, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 20 August 2024.

Subject to the fulfillment of certain conditions of the Rights Issue including the approval of the Shareholders at the EGM and upon the Share Consolidation becoming effective, the Company will make available 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 make available the Prospectus to the Non-Qualifying Shareholders for their information only but the Company will not send the PAL to the Non-Qualifying Shareholders. For the avoidance of doubt, the Non-Qualifying Shareholders (if any) are entitled to attend and vote at the EGM.

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.1 each. As none of the Shareholders or their respective associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Share Consolidation at the EGM.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands and Hong Kong (where applicable), the Listing Rules to effect the Share Consolidation; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

The Share Consolidation will become effective on Monday, 9 September 2024, being the second Business Day immediately following the fulfillment of the above conditions.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of HK\$0.01 each, of which 1,416,800,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective but before the completion of the Rights Issue, the authorised share capital of the Company will become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.1 each, of which 141,680,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's articles of association. No fractional Consolidated Shares arising from the Share Consolidation, if any, will be issued by the Company to the Shareholders. Any fractional entitlements of Consolidated Shares will be aggregated, and if possible, sold and retained 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 share certificates held by such holder.

Other than the relevant expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise and the necessary professional expenses for the implementation of the Share Consolidation.

Other securities of the Company

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 110,400,000 Existing Shares under the Share Option Scheme.

Save for the aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which are convertible or exchangeable into Shares as at the date of this announcement.

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation having become effective, Shareholders may, during the specified period from Monday, 9 September 2024 to Friday, 18 October 2024 (both days inclusive), submit the existing share certificates for the Existing Shares to the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders 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 existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for trading, settlement and registration purposes.

The new share certificates for the Consolidated Shares will be issued in Red colour in order to distinguish them from the existing share certificates in Yellow colour.

Listing and Dealings

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

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, 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 CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes 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.

PROPOSED CHANGE IN BOARD LOT SIZE

The Existing Shares are currently 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 from 4,000 Existing Shares to 12,000 Consolidated Shares per board lot upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.021 per Existing Share (equivalent to the theoretical closing price of HK\$0.21 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 4,000 Existing Shares is HK\$84; (ii) the value of each board lot of 4,000 Consolidated Shares would be HK\$840 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 12,000 Consolidated Shares would be HK\$2,520 on the assumption that the Change in Board Lot Size had also become effective.

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

ARRANGEMENT ON ODD LOT TRADING AND MATCHING SERVICES

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the Circular to be issued by the Company.

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 warranted. 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 June 2024) has further stated that (i) 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\$0.021 per Existing Share as at the date of this announcement, the theoretical share price of the Company would be adjusted to HK\$0.21 per Consolidated Share; and with a board lot size of 12,000 Consolidated Shares, the theoretical new board lot value would be HK\$2,520, which would enable the Company to comply with the trading requirements under the Listing Rules. Further, it is expected that the Share Consolidation will increase the nominal value of the Shares. 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 result, the Share Consolidation would not only enable the Company to comply with the trading requirements under the Listing Rules, but would also attract more investors and hence broaden the Shareholder base.

The Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Company nor result in change in the relative rights of the Shareholders and are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save for the Share Consolidation and the proposed Rights Issue as disclosed under the section headed “Proposed Rights Issue” below, the Company has no intention to carry out other corporate action or arrangement, including share consolidation, share sub-division and capital reduction, in the next 12 months, which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size.

However, in the event there is any change to the business environment and/or financial position of the Group due to unforeseeable circumstances, and the Company is required to conduct further fund-raising exercises when suitable opportunities arise in order to support future development of the Group, the Company will publish further announcement(s) in compliance with the Listing Rules as and when appropriate.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to, amongst others, the Share Consolidation becoming effective, the Rights Issue with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	:	Four (4) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.18 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.1747 per Rights Share (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation); or Approximately HK\$0.1751 per Rights Share (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options)
Number of Shares in issue as at the date of this announcement	:	1,416,800,000 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	141,680,000 Consolidated Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	566,720,000 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation) with an aggregate nominal value of HK\$56,672,000; or

610,880,000 Rights Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options) with an aggregate nominal value of HK\$61,088,000

Total number of Consolidated Shares in issue upon completion of the Rights Issue	: 708,400,000 Consolidated Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation) or 763,600,000 Consolidated Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options)
Gross proceeds from the Rights Issue	: Approximately HK\$102.0 million before expenses (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation) with a maximum of approximately HK\$110.0 million before expenses (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options)

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 110,400,000 Existing Shares granted under the Share Option Scheme. Save as aforementioned, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no Shares are issued or repurchased on or before the Record Date other than the Share Consolidation, the aggregate 566,720,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 400.0% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and 80.0% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares.

Assuming no Shares are issued or repurchased on or before the Record Date other than the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options, the aggregate 610,880,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 400.0% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and 80.0% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares.

Subscription Price

The Subscription Price of HK\$0.18 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares under the Rights Issue 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 14.3% to the theoretical closing price of HK\$0.210 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day, assuming Share Consolidation has become effective;
- (ii) a discount of approximately 17.4% to the average theoretical closing price per Consolidated Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.218, assuming Share Consolidation has become effective;
- (iii) a discount of approximately 17.4% to the average theoretical closing price per Consolidated Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.218, assuming Share Consolidation has become effective;

- (iv) a discount of approximately 4.3% to the theoretical ex-rights price of approximately HK\$0.188 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day, assuming no Shares are issued or repurchased on or before the Record Date other than the Share Consolidation has become effective;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 14.6% represented by the theoretical diluted price of approximately HK\$0.188 to the benchmarked price of approximately HK\$0.220 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.210 per Consolidated Shares and the average closing price of the Consolidated Shares in the five trading days immediately prior to the date of this announcement of HK\$0.220 per Consolidated Share), assuming no Shares are issued or repurchased on or before the Record Date other than Share Consolidation has become effective; and
- (vi) a discount of approximately 93.7% to the consolidated net asset value per share attributable to the Shareholders as at 31 March 2024 of approximately HK\$2.853 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately S\$69,686,000 (equivalents to approximately HK\$404,178,800) as at 31 March 2024 and 141,680,000 Consolidated Shares in issue as at the date of this announcement, assuming the Share Consolidation became effective on 31 March 2024.

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 current business performance and financial position of the Group; (ii) the recent market price of the Existing Shares; (iii) the prevailing market conditions; (iv) the low trading volume of the Existing Shares; and (v) 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 use of proceeds” in this announcement. The Directors consider that the Subscription Price at a discount to the current market price of the Existing 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 (other than the members of the Independent Board Committee whose view will be set out in the Circular after taking into account the advice of the Independent Financial Adviser) 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 commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The maximum 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\$0.1751 per Rights Share.

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment shall be four (4) Rights Shares for every one (1) Consolidated Share 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

On the basis of the entitlement to subscribe four (4) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements of the Shares to the Rights Shares will arise from the Rights Issue.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated 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, SFC transaction levy, AFRC transaction 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 make available 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 make available copies of the Prospectus to the Non-Qualifying Shareholders for their information only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date;
and
- (ii) be a Qualifying 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 Registrars, 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 by no later than 4:00 p.m. on Wednesday, 11 September 2024.

The Company expects the Prospectus Documents are made available to the Qualifying Shareholders on Friday, 20 September 2024.

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.

Rights of Overseas Shareholders (if any)

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. For the avoidance of doubt, the Overseas Shareholders (if any) are entitled to attend and vote at the EGM.

As at the date of this announcement, there are 16 Overseas Shareholders, all with registered addresses situated in the PRC. 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 under the laws of the overseas jurisdiction 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 the relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders.

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

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 Rights Shares and the NQS Unsold Rights Shares, and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the No Action Shareholders. 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.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights 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 expenses/fees), that is realised from the Placing will be paid to the No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 14 October 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the 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.

Net Gain (if any) will be paid (without interest) on a pro-rata basis (based on all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

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

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on or about Wednesday, 16 October 2024 by ordinary post to those entitled thereto, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the Rights Shares are expected to be sent on or about Wednesday, 16 October 2024 by ordinary post to the applicants, at their own risk, to their registered addresses, or in case of joint applicants, to the address of the first-named person.

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 Non-Qualifying 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 new board lots of 12,000 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 CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Closure of Register of Members for EGM

The register of members of the Company will be closed from Monday, 2 September, 2024 to Thursday, 5 September 2024 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

Closure of register of members of Rights Issue

The register of members of the Company will be closed from Thursday, 12 September 2024 to Thursday, 19 September 2024 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Placing

The Company will make arrangements as described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

THE PLACING AGREEMENT

On 19 July 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by themselves or through their sub-placing agents) to procure independent placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Principal terms of the Placing Agreement are as follow:

- Date : 19 July 2024 (after trading hours)
- Placing Agent : Sunhigh Financial Holdings Limited was appointed as the Placing Agent to procure, on a best effort basis, independent placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.
- To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent is an Independent Third Party and neither the Placing Agent nor any of its associates hold any Shares as at the date of this announcement.
- Placing fee and expenses : 1.0% of the aggregate placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
- Placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) : The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares.
- The placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.
- Placees : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties.
- Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

Conditions precedent

: The obligations of the Placing Agent under the Placing Agreement are conditional upon:

- (i) the Share Consolidation and Change in Board Lot Size becoming effective;
- (ii) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and the NQS Unsold Rights Shares;
- (iii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, approve, among others, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder;
- (iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

In the event the conditions of the Placing Agreement are not fulfilled on or before the Latest Time for Placing Termination (or such later date as may be agreed between the parties in writing), the Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the conditions (other than those set out in paragraph (ii) above) by notice in writing to the Company.

Completion date

: Subject to the fulfillment of the conditions set out above, the 4th Business Day after the Latest Time for Termination or such other date as the Company and the Placing Agent may agree in writing.

Termination

: The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to 10:00 a.m. one day before 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 an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

(a) there develops, occurs or comes into force:

- i. any event, development or change and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong, national or international or forming part of a series of events, developments or changes occurring or continuing the date of the Placing Agreement; or
- ii. the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- iii. 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
- iv. a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or

- v. any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the Placing; or
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Latest Time for Termination 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 any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (c) there is any adverse change in the financial position of the Company which is material in the context of the Placing; or
- (d) there is any adverse change in market conditions occurs which makes it inexpedient or inadvisable to proceed with the Placing or any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than thirty (30) consecutive Business Days, excluding any suspension in connection with the clearance of this announcement, the circular or other documents in connection with the Placing; or
- (e) the Unsubscribed Rights Shares and the 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 (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms. The Directors consider that the placing fee charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of the Placing Agreement are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Shareholders. The Company will ensure that it will continue to comply with the public float requirement under Rule 8.08(1) of the Listing Rules after the Placing and the Rights Issue.

Conditions of the Rights Issue

The Rights Issue are conditional upon fulfillment of the following conditions:

- (i) the passing of all necessary resolutions to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder;
- (ii) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the Share Consolidation and the Change in Board Lot Size becoming effective;
- (iv) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively 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 resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

- (v) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus bearing a “For Information Only” stamp to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (vi) the Placing Agreement not being terminated on or before the Latest Time for Termination in accordance with the provisions thereof, including force majeure events; and
- (vii) the compliance with any other mandatory requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

As at the date of this announcement, none of the conditions has been satisfied. All conditions set out above cannot be waived. If any of the conditions precedent are not satisfied by the Latest Time for Termination (or such other date as may be agreed between the Company and the Placing Agent), the Rights Issue will not proceed.

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

The maximum gross proceeds from the Rights Issue are expected to be approximately HK\$110.0 million. The maximum net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$107.0 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$50.0 million or 46.7% of the maximum net proceeds for the start-up costs of phase three of the Trendzon Diandian Science and Technology Innovation City’s Industrial Park in the PRC;
- (ii) approximately HK\$45.0 million or 42.1% of the maximum net proceeds for repayment of loans; and
- (iii) approximately HK\$12.0 million or 11.2% of the maximum net proceeds to replenish the general working capital of the Group.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

The Group is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services, provision of engineering services and trading of building materials. Despite challenging operating conditions, the Group has been focusing on strengthening the market position in the construction industry. The construction of the Trendzon Diandian Science and Technology Innovation City's Industrial Park (the “**Industrial Park**”) in the PRC, being one of the major construction projects of the Group commenced in 2021 with an aim to construct and develop intelligent manufacturing areas and warehouses, targeting and gathering high-tech companies together to build an intelligent manufacturing professional city (智能製造裝備專業鎮). Construction work of phase one of the Industrial Park was completed in December 2023, and the construction work of phase two of the Industrial Park has been commenced in November 2023 and is expected to be completed by April 2025. The Company intends to apply approximately HK\$50.0 million of the net proceeds from the Rights Issue to finance the start-up costs (including cost of construction material of approximately HK\$20.0 million, subcontracting fees of approximately HK\$11.3 million, feasibility studies and design fees of approximately HK\$7.6 million, foundation and civil engineering works of approximately HK\$6.2 million, and utilities of approximately HK\$3.2 million) of phase three of the Industrial Park which construction works is expected to commence in September 2024. Total construction cost of phase three of the Industrial Park to be paid by the Group is estimated to be approximately HK\$207 million.

In addition, as disclosed in the annual results announcement of the Company for the year ended 31 March 2024, the Group recorded borrowings of approximately S\$23.2 million as at 31 March 2024, among which, approximately S\$10.5 million (equivalents to approximately HK\$60.9 million) are repayable within one year. Having considered the prevailing market condition and low level of cash on hand available to the Group, the Directors are of the view that the Rights Issue could provide sufficient funds at no borrowing costs for the Group to satisfy its funding needs in repayment of the borrowings and the development and expansion of the Group's business.

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.

According to the annual results announcement of the Company for the year ended 31 March 2024, the Group recorded finance costs of approximately S\$1.7 million (equivalents to approximately HK\$10.0 million) and net loss of approximately S\$12.3 million (equivalents to approximately HK\$71.2 million) for the year ended 31 March 2024. The Board is of the view that while additional debt financing will increase the gearing ratio of the Group and having considered the prevailing high interest rate environment, additional debts will increase the overall financial burden to 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. 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 (other than the members of the Independent Board Committee whose view will be set out in the Circular after reviewing and considering the advice from the Independent Financial Adviser) 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 financial 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 (other than the members of the Independent Board Committee whose view will be set out in the Circular after reviewing and considering the advice from the Independent Financial Adviser) 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 upon completion of the Share Consolidation; (iii) immediately upon completion of the Share Consolidation, and the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iv) immediately upon completion of the Share Consolidation, and the Rights Issue assuming no acceptance by any Qualifying Shareholder and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent:

- (a) assuming no outstanding Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue

	As at the date of this announcement	Immediately upon completion of the Share Consolidation	Immediately upon completion of (i) the Share Consolidation; and (ii) the Rights Issue assuming full acceptance by all Qualifying Shareholders	Immediately upon completion of (i) the Share Consolidation; and (ii) the Rights Issue assuming no acceptance by any Qualifying Shareholder and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Zhongbei Capital Co., Limited (中北資本 有限公司) ^(note 1)	138,000,000	9.74	13,800,000	9.74
Placées ^(note 2)	-	-	-	-
Other public Shareholders	1,278,800,000	90.26	127,880,000	90.26
			639,400,000	90.26
			69,000,000	9.74
			13,800,000	1.95
			566,720,000	80.00
			127,880,000	18.05
			708,400,000	100.00
	1,416,800,000	100.00	141,680,000	100.00
			708,400,000	100.00

Notes:

1. Ms. Yao Jiajia, an Independent Third Party, held 138,000,000 Shares through Zhongbei Capital Co., Limited (中北資本有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by Ms. Yao Jiajia.
2. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial Shareholder after completion of the Placing.
3. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

3. As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 110,400,000 Existing Shares granted under the Share Option Scheme.
4. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due 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 Shares.

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, the subscription prices on the exercise of the Share Options and/or number of Shares related to the Share Options under the Share Option Scheme may be adjusted in accordance with the Share Option Scheme upon the Rights Issue becoming unconditional.

The Company will notify the holders (if any) of the Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by the Independent Financial Adviser.

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 and the Rights Issue. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation and the Rights Issue and is therefore for indicative purposes 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
	2024
Expected despatch date of the Circular, proxy form and notice of the EGM	Tuesday, 20 August
Latest time for lodging transfer documents of the Shares in order to be qualified for attendance and voting at the EGM	4:00 p.m. on Friday, 30 August
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Monday, 2 September to Thursday, 5 September
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	11:30 a.m. on Tuesday, 3 September
Record date for determining attendance and voting at the EGM	Thursday, 5 September
Expected date and time of EGM to approve the Share Consolidation, the Rights Issue, and the Placing Agreement	11:30 a.m. on Thursday, 5 September
Announcement of the poll result of the EGM	Thursday, 5 September
Register of members of the Company re-opens	Friday, 6 September

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and the Change in Board Lot Size:

Effective date of the Share Consolidation	Monday, 9 September
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 9 September
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 9 September
Original counter for trading in Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 9 September
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 9 September
Last day of dealings in the Consolidated Shares on a cum-rights basis relating to the Rights Issue	Monday, 9 September
First day of dealings in the Consolidated Shares on an ex-rights basis relating to the Rights Issue	Tuesday, 10 September
Latest time for the Shareholders to lodge transfer documents of the Consolidated Shares in order to be qualified for the Rights Issue	4:00 p.m. on Wednesday, 11 September
Closure of register of members to determine the eligibility of the Rights Issue (both dates inclusive)	Thursday, 12 September to Thursday, 19 September
Record Date for the Rights Issue	Thursday, 19 September
Register of members of the Company re-opens	Friday, 20 September

Prospectus Documents are made available and/or despatched (as the case maybe) to the Qualifying Shareholders (in case of the Non-Qualifying Shareholder(s), the Prospectus only)	Friday, 20 September
Original counter for trading in the Consolidated Shares in board lots of 12,000 Consolidated Shares (in the form of new share certificates) reopens	9:00 a.m. on Tuesday, 24 September
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 September
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 September
First day of dealings in nil-paid Rights Shares	Tuesday, 24 September
Latest time for splitting the PAL	4:00 p.m. on Thursday, 26 September
Last day of dealings in nil-paid Rights Shares	Wednesday, 2 October
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 7 October
Announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements	Tuesday, 8 October
Commencement of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent, on best effort basis	Tuesday, 8 October
Latest time for placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Monday, 14 October

Latest time for the termination of the Placing Agreement	4:00 p.m. on Monday, 14 October
Announcement of the results of the Rights Issue	Tuesday, 15 October
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated)	Wednesday, 16 October
Designated broker ceases to provide matching services for odd lot of the Consolidated Shares	4:00 p.m. on Wednesday, 16 October
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 16 October
Parallel trading in Consolidated Shares (represented by both existing share certificates and new share certificates) ends	4:10 p.m. on Wednesday, 16 October
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 17 October
Latest time for free exchange of existing share certificates for new share certificates	4:00 p.m. on Friday, 18 October

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 excepted timetable as soon as practicable.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Share Consolidation), the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of resolution(s) relating to the Rights Issue at the EGM.

As at the date of this announcement, the Company does not have any controlling shareholder and none of the Directors and the chief executive of the Company and their respective associates holds any Shares. Accordingly, no Shareholder shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM and no Director shall abstain from voting in favour of the Rights Issue at the meeting of the Board.

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 EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wu Kai Tang, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transaction contemplated thereunder, on whether the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

Rainbow Capital (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.

The Circular containing, among other things, (i) further details of the Share Consolidation, the Change in Board Lot Size, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder; and (iv) a notice convening the EGM, is expected to be made available to the Shareholders on or before 20 August 2024.

Subject to the fulfilment of certain conditions of the Rights Issue including the approval of the Shareholders at the EGM and upon the Share Consolidation becoming effective, the Company will make available 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 make available the Prospectus to the Non-Qualifying Shareholders for their information only but the Company will not send the PAL to the Non-Qualifying Shareholders. For the avoidance of doubt, the Non-Qualifying Shareholders (if any) are entitled to attend and vote at the EGM.

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

The Rights Issue is subject to the fulfillment of conditions including, among other things, the Listing Committee granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied or waived (if applicable), the Rights Issue may or may not proceed.

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

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. 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 (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
“CCASS 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
“Change in Board Lot Size”	the proposed change in board lot size of the issued Shares for trading from 4,000 Existing Shares to 12,000 Consolidated Shares
“Circular”	the circular to be despatched to the Shareholders in respect of, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“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”	Trendzon Holdings Group Limited 卓航控股集團有限公司, 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: 1865)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person”	has the meaning as ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 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
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“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 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

“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholders other than (i) all executive Directors and their respective associates (as defined under the Listing Rules); (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), who are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Last Trading Day”	19 July 2024, 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 Monday, 7 October 2024 (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”	4:00 p.m. on Monday, 14 October 2024 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
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees under the Placing Agreement) under the Compensatory Arrangements
“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 Non-Qualifying Shareholders (as the case may be)
“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

“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) 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
“Placing”	arrangements to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis pursuant to the Placing Agreement
“Placing Agent”	Sunhigh Financial Holdings Limited, 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 Agreement”	the placing agreement dated 19 July 2024 entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“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 issued by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)

“Prospectus Posting Date”	Friday, 20 September 2024 (or such other date as may be determined by the Company), being the date of which of the Prospectus Documents are make available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Thursday, 19 September 2024, the record date 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 and transfer office of the Company in Hong Kong
“Rights Issue”	the proposed issue by way of rights of four (4) Rights Shares for every one (1) Consolidated Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the paragraph headed “Conditions of the Rights Issue” in this announcement
“Rights Share(s)”	566,720,000 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Share Consolidation) with an aggregate nominal value of HK\$56,672,000; or 610,880,000 Rights Shares (assuming there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date other than the Share Consolidation and the new Shares to be allotted and issued upon the full exercise of the outstanding Share Options) with an aggregate nominal value of HK\$61,088,000.
“SFC”	The Security and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.1
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 26 February 2019 and as amended on 13 December 2022
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.18 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Unsubscribed Rights Shares”	such number of Rights Shares in respect of which duly completed PAL(s) have not been lodged for acceptance or not fully paid by the Latest Time for Acceptance, including any Rights Shares to which the Non-Qualifying Shareholders would not have otherwise been entitled under the Rights Issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“S\$”	Singapore dollar(s), the lawful currency of Singapore
“%”	per cent

Unless otherwise specified in this announcement, the exchange rate of S\$1.00 = HK\$5.8 has been adopted for translating S\$ into HK\$ in this announcement.

By Order of the Board
Trendzon Holdings Group Limited
Feng Jiamin
Chairman

Hong Kong, 19 July 2024

As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Law Wai Yip, Ms. Liao Qinghua, Ms. Katsaya Wiriya chart and Mr. Fong Hang Fai as executive Directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wu Kai Tang as independent non-executive Directors.