
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Kwan On Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “15. Documents Delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). The Securities and Futures Commission of Hong Kong, the Stock Exchange and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of the documents referred to above.

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange, and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.



KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1559)

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

Financial Adviser of the Company



Capitalised terms used herein shall have the meanings given to such terms in the section headed “Definitions” in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 5 March 2026. The procedures for acceptance and transfer of the Rights Shares are set out in the paragraph headed “Procedures for Acceptance and Payment or Transfer” in the “Letter from the Board” on pages 10 to 13 of this Prospectus.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed. Pursuant to the Company’s constitutional document, the Companies Act, the Companies (WUMP) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

The Rights Shares will be dealt with in their nil-paid form on the Stock Exchange from Monday, 23 February 2026 to Monday, 2 March 2026, both dates inclusive. Any Shareholder or other person dealing in the Shares or in the Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	2026
First day of dealing in nil-paid Rights Shares	Monday, 23 February
Latest time for splitting the PAL	4:30 p.m. on Wednesday, 25 February
Last day of dealing in nil-paid Rights Shares	Monday, 2 March
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Thursday, 5 March
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Friday, 6 March
Announcement of results of acceptances of Rights Shares and of application for excess Rights Shares	Thursday, 12 March
Despatch of refund cheques for wholly or partially unsuccessful excess applications	Friday, 13 March
Despatch of share certificates for fully-paid Rights Shares	Friday, 13 March
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 16 March
Designated broker commences to provide matching services for odd lots of Shares	9:00 a.m. on Monday, 16 March
Designated broker ceases to provide matching services for odd lots of Shares	4:00 p.m. on Friday, 27 March

Notes:

1. All references to dates and times in this Prospectus are references to Hong Kong local dates and times.
2. Dates or deadlines specified in this Prospectus are indicative only and may be extended or varied. Any changes to the above timetable will be published or notified to the Shareholders as and when appropriate.

EXPECTED TIMETABLE

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

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place as shown if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoon as announced by the government of Hong Kong or a “black” rainstorm warning in force in Hong Kong:

- (i) at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 5 March 2026. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) at any local time between 12:00 noon and 4:00 p.m. on Thursday, 5 March 2026. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the next 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 of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place at 4:00 p.m. on Thursday, 5 March 2026, the dates mentioned in this section may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 26 January 2026 regarding, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning number 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 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 or on which “extreme conditions” caused by super typhoon as announced by the government of Hong Kong is in effect 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 general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended from time to time
“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”	Kwan On Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which Shares are listed on the main board of the Stock Exchange (stock code 1559)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess of their assured entitlements under the Rights Issue

DEFINITIONS

“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertaking”	a letter of irrevocable undertaking dated 26 January 2026 executed by Sino Coronet in favour of the Company, the principal terms of which are disclosed in the paragraph headed “Irrevocable Undertaking” in the “Letter from the Board” of this Prospectus
“Last Trading Day”	Monday, 26 January 2026, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	11 February 2026, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
“PHP”	Philippines Peso, the lawful currency of the Philippines
“Posting Date”	Monday, 16 February 2026, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Prospectus does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	this prospectus to be issued by the Company in connection with the Rights Issue
“Prospectus Documents”	this Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Friday, 13 February 2026, being the date by reference to which entitlements to the Rights Issue was determined
“Rights Issue”	the proposed issue of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date, payable in full upon acceptance
“Rights Share(s)”	up to 934,579,981 new Share(s) proposed to be allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of (a) Share(s)
“Sino Coronet”	Sino Coronet Group Limited, a company incorporated in the British Virgin Islands with limited liability and a Controlling Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.07 per Rights Share pursuant to the Rights Issue
“Takeovers Code”	the Hong Kong Code on Takeovers, Mergers and Share Buy-backs
“%”	per cent.

Note: The English translation of names in Chinese which are marked with “*” are for identification purpose only.

LETTER FROM THE BOARD



均安控股

Kwan On Holdings

KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1559)

Executive Directors:

Mr. Chen Zhenghua

Mr. Sun Xiaoran

Mr. Gu Xiaochong

Non-executive Director:

Ms. Li Yuping

Independent non-executive Directors:

Professor Lam Sing Kwong, Simon

Mr. Lum Pak Sum

Mr. Gong Zhenzhi

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 3401

118 Connaught Road West

Hong Kong

16 February 2026

To the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcement, pursuant to which the Company announced, among other things, that it proposed to raise up to approximately HK\$65.42 million before expenses by issuing up to 934,579,981 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.07 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

The purpose of this Prospectus is to provide you with, among other things, details of the Rights Issue, including information on dealing and transfer of nil-paid Rights Shares and the procedures for acceptance of provisionally allotted Rights Shares and for application for excess Rights Shares, and certain financial and other information of the Group.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

Details of the Rights Issue are summarised below:

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date by the Qualifying Shareholders
Number of Shares in issue as at the Latest Practicable Date	:	1,869,159,962 Shares
Number of Rights Shares	:	Up to 934,579,981 Rights Shares
Aggregate nominal value of Rights Shares to be issued under the Rights Issue	:	Up to HK\$9,345,799.81
Subscription price	:	HK\$0.07 per Rights Share
Number of Shares in issue immediately following the completion of the Rights Issue	:	Up to 2,803,739,943 Shares (assuming there is no change in the number of Shares in issue other than the allotment and issue of the Rights Shares)
Status	:	The Rights Shares, when allotted, issued and fully paid, will rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue
Maximum gross proceeds from the Rights Issue	:	Up to approximately HK\$65.42 million before expenses
Maximum net proceeds from the Rights Issue	:	Up to approximately HK\$63.62 million after expenses
Excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, or convert or exchange into, Shares.

LETTER FROM THE BOARD

The nil-paid Rights Shares proposed to be provisionally allotted represent:

- (i) 50% of the Company's total number of issued Shares as at the Latest Practicable Date; and
- (ii) approximately 33.3% of the Company's total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming no change in the number of Shares in issue other than the allotment and issue of the Rights Shares) after completion of the Rights Issue.

Rights Issue on a Non-Underwritten Basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its assured entitlement under the PAL or applies for excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the terms that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and (ii) does not result in the Company's non-compliance with the public float requirement under Rule 8.08 of the Listing Rules. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares or excess Rights Shares will be refunded to the affected applicants.

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

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and to the extent reasonably practicable, the Company will send copies of this Prospectus (without the PAL and EAF) to the Excluded Shareholders (if any) for their information only. Please take special note that the Company will send the PAL and EAF to the Qualifying Shareholders only. For the avoidance of doubt, unless the Qualifying Shareholders submit their requests in writing to the Company for a printed form of the Prospectus, the Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL and the EAF, as actionable corporate communications, will be despatched in printed form.

LETTER FROM THE BOARD

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

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Thursday, 5 March 2026.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up his/her/its assured entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may be diluted.

Rights of Overseas Shareholders

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

If on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may or may not be eligible to take part in the Rights Issue. If, based on the advice provided by the legal advisers to the Company pursuant to the Company's enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders (if any) in compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account of either the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The register of members of the Company was closed from Monday, 9 February 2026 to Friday, 13 February 2026. According to the register of members of the Company, as at the Latest Practicable Date, the Company did not have any Overseas Shareholder. Therefore, there is no Excluded Shareholder for the purpose of the Rights Issue.

The Company will continue to ascertain whether there are any Overseas Shareholders as at the Record Date and will make enquiries if necessary, with legal advisers in overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder as at the Record Date.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.07 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 17.65% the closing price of HK\$0.0850 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.05% to the average closing price of approximately HK\$0.0824 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 16.27% to the average closing price of approximately HK\$0.0836 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of 12.50% to the theoretical ex-rights price of HK\$0.0800 based on the closing price of HK\$0.0850 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 18.60% to the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) a premium of approximately 79.09% over the unaudited net asset value attributable to the Shareholders of approximately HK\$0.039 per Share based on the unaudited net asset value attributable to the Shareholders of approximately HK\$73.1 million as at 30 September 2025 set out in interim report of the Company for the six months ended 30 September 2025 and 1,869,159,962 total issued Shares as at 30 September 2025; and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 5.88%, being the discount of the theoretical diluted price of approximately HK\$0.0800 per Share (calculated based on the benchmarked price as defined under Rule 7.27B of the Listing Rules) to the benchmarked price of approximately HK\$0.0850 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.0850 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.0822 per Share).

LETTER FROM THE BOARD

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 by the Directors with reference to, among other things, the recent market prices of the Shares and the prevailing market conditions. Having considering that (i) the Subscription Price represents a premium over the unaudited net asset value attributable to the Shareholders per Share as at 30 September 2025; (ii) the Subscription Price is within the range of closing price of the Shares during the period from 1 October 2025 to the Last Trading Day in a range of between HK\$0.063 and HK\$0.090 per Share; (iii) the Group recorded losses attributable to the Shareholders for the past five financial years ended 31 March 2021, 2022, 2023, 2024 and 2025, and for the six months ended 30 September 2025; and (iv) the discount of the Subscription Price to the recent market prices provides the Qualifying Shareholders with incentive to participate in the Rights Issue so as to support the Group's development, the Directors are of the view that the Subscription Price, being determined with reference to the prevailing market prices of the Shares, is fair and reasonable.

Since closing price of Shares fluctuate, the Directors considered it to be appropriate to benchmark the Subscription Price against the closing price of Shares for the period from 1 October 2025 to the Last Trading Day (being approximately four months prior to the Last Trading Day) so as to avoid any short term fluctuation in closing price of Shares. Further, the Directors considered that the Subscription Price represents a premium over the unaudited net asset value per Share as at 30 September 2025, as well as a reasonable discount to the latest closing prices, which is expected to incentivise the Qualifying Shareholders' participation and support the Company's capital needs. In addition, the Board noted the Group's loss-making position over the past few years, and thus sought to set a price that ensures the Rights Issue is attractive to existing Shareholders while balancing the need to strengthen the Group's financial position. Taking all these factors into consideration, the Directors are of the view that the Subscription Price is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.068.

Basis of Provisional Allotment of Rights Shares

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL (in accordance with the instructions printed thereon) 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 Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by a time which is currently expected to be 4:00 p.m. on Thursday, 5 March 2026. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional Entitlements" in this section below. Upon completion of the Rights Issue, the board lots of the Company will remain as 10,000 Shares.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to accept only part of, or transfer a part of, his/her/its Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, please refer to the paragraph headed “Procedures for Acceptance and Payment or Transfer” in this section below.

Fractional Entitlements

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares (if any) will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders.

Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue (if any), the Company has appointed Solo Securities Limited as a designated broker to provide a matching service, on a best effort basis. Shareholders who wish to take advantage of this facility should contact Alan Lau of Solo Securities Limited at Unit No. 901, 9th Floor, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong (telephone number +852 3896 6003 or by facsimile at +852 2152 9189) during office hours (i.e. 9:00 a.m. to 4:00 p.m.) from 9:00 a.m. on Monday, 16 March 2026 to 4:00 p.m. on Friday, 27 March 2026 (both dates inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate number of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Status of the Rights Shares

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

Procedures for Acceptance and Payment or Transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown thereon.

LETTER FROM THE BOARD

If you wish to exercise your rights to subscribe for all the Rights Shares specified in the enclosed PAL, you must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Thursday, 5 March 2026. All remittances must be made in Hong Kong dollars by cheque or cashier order. Cheque must be drawn on an account with, and cashier order must be issued by, a licensed bank in Hong Kong and made payable to **“Kwan On Holdings Limited – Rights Issue Account”** and crossed **“Account Payee Only”**. Such payment will constitute full acceptance of the provisional allotment on terms of the PAL and this Prospectus and subject to the memorandum and articles of association of the Company.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with Tricor Investor Services Limited by 4:00 p.m. on Thursday, 5 March 2026, whether by the original allottee or any person in whose favour the rights have been validly transferred, the relevant assured allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you under the PAL to one person or persons as joint holders, you and the person(s) to or through whom you are transferring such rights must complete and sign the PAL in accordance with the instructions printed thereon, and the transferee(s) must then lodge the PAL intact, together with a remittance by cheque or cashier order for the full amount payable on acceptance, with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:00 p.m. on Thursday, 5 March 2026. All remittances must be made in Hong Kong dollars and by cheque or cashier order. Cheque must be drawn on an account with, and cashier order must be issued by, a licensed bank in Hong Kong and made payable to **“Kwan On Holdings Limited – Rights Issue Account”** and crossed **“Account Payee Only”**. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares.

If you wish to accept only part of your provisional allotment without renouncing the balance thereof, or transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you, or transfer your rights to more than one person (not as joint holders), the original PAL must be surrendered and lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 25 February 2026 and the Company’s share registrar and transfer office, Tricor Investor Services Limited, will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection at the office of Tricor Investor Services Limited after 9:00 a.m. on the second business day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept only part of their provisional allotment or if they wish to renounce part of their provisional allotment.

LETTER FROM THE BOARD

All cheques and cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or cashier order in payment for the Rights Shares accepted will constitute a warranty by the subscriber that the cheque or cashier order will be honoured on first presentation. If any cheque or cashier order is dishonoured on first presentation, the PAL is liable to be rejected, and in that event the provisional allotment and all rights given pursuant to it will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application received.

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their intermediary and provide their intermediary with instructions or make arrangements with their intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their intermediary in order to allow their intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other applicable requirements of HKSCC.

If the conditions of the Rights Issue are not fulfilled by 4:00 p.m. on Friday, 6 March 2026, the Rights Issue will not proceed and any subscription monies received in respect of acceptance of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form shall have been validly transferred without interest by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or other persons on or around Friday, 13 March 2026.

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholders; (ii) any Rights Shares provisionally allotted but not accepted; and (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate cheque or banker’s cashier order for the sum payable for the excess Rights Shares being applied for with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by a time which is currently expected to be 4:00 p.m. on Thursday, 5 March 2026.

All remittances must be made in Hong Kong dollars, and cheques must be drawn on an account with, and cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Kwan On Holdings Limited – Excess Application Account**” and crossed “**Account Payee Only**”.

LETTER FROM THE BOARD

An EAF can be lodged from Monday, 16 February 2026 to Thursday, 5 March 2026 (both dates inclusive) at the following times:

Monday to Friday: 9:00 a.m. to 4:30 p.m.; and

Last day for acceptance (Thursday, 5 March 2026): 9:00 a.m. to 4:00 p.m.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given for topping up odd lots to whole board lots.

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

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for the excess Rights Shares may be rejected at the sole discretion of the Board.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

LETTER FROM THE BOARD

Share Certificates and Refund Cheques for Rights Issue

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Friday, 13 March 2026 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Friday, 13 March 2026 by ordinary post to the registered addresses as aforesaid at the respective applicants' own risks. One share certificate will be issued for all the Rights Shares a Shareholder is entitled to.

Application for Listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and 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. The nil-paid and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

No part of the Shares for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in on any other stock exchange.

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights 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 Rights Shares on the Stock Exchange or such other date as determined by HKSCC.

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

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

LETTER FROM THE BOARD

Stamp Duty and Other Applicable Fees and Charges

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

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising their rights in, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

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

- (a) the electronic submission to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents and other documents no later than the Posting Date in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date; and
- (c) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Company may accept.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Friday, 6 March 2026, the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Irrevocable Undertaking

As at the Latest Practicable Date, Sino Coronet, being the Controlling Shareholder, holds 1,039,456,250 Shares, representing approximately 55.61% of the issued share capital of the Company.

On 26 January 2026, the Company received from Sino Coronet the Irrevocable Undertaking, pursuant to which:

- (i) Sino Coronet has unconditionally and irrevocably undertaken to the Company to subscribe for 519,728,125 Rights Shares which will be provisionally allotted to it nil-paid in respect of the 1,039,456,250 Shares legally and beneficially owned by it, pursuant to the terms of the Prospectus Documents; and
- (ii) Sino Coronet has unconditionally and irrevocably undertaken to the Company to ensure that the 1,039,456,250 Shares currently beneficially owned by it will not be sold, disposed of or transferred by it and will remain beneficially owned by it on the Record Date.

Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date, and (ii) immediately after completion of the Rights Issue (assuming no change in the number of Shares in issue other than the allotment and issue of the Rights Shares):

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full		Assuming only Sino Coronet but no other Qualifying Shareholders takes up its entitlements to the Rights Shares in full	
	No. of Shares	Approximate % of issued Shares	No. of Shares	Approximate % of issued Shares	No. of Shares	Approximate % of issued Shares
Shareholders						
Sino Coronet	1,039,456,250	55.61	1,559,184,375	55.61	1,559,184,375	65.27
Mr. Chen Zhenghua (Note 1)	10,000	0.00	15,000	0.00	10,000	0.00
Mr. Gu Xiaochong (Note 2)	40,000	0.00	60,000	0.00	40,000	0.00
Public Shareholders	829,653,712	44.39	1,244,480,568	44.39	829,653,712	34.73
Total	1,869,159,962	100.00	2,803,739,943	100.00	2,388,888,087	100.00

Notes:

1. Mr. Chen Zhenghua is an executive Director.
2. Mr. Gu Xiaochong is an executive Director.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the construction related business and trading of chemical materials in Southeast Asia and the PRC.

The Group operates in a highly competitive and challenging construction market, which has adversely affected the performance of its construction business. Over the past few years, the Group has faced increasing challenges in securing new construction projects as market competition has intensified. Accordingly, the Group has been required to submit tenders at more competitive pricing levels in order to enhance its chances of winning contracts. When combined with rising labour and material costs driven by labour shortages and inflation, this has resulted in a significant erosion of gross profit margins on the Group's construction projects, and, in certain cases, has led to negative gross margins (i.e. gross losses). Consequently, the Group recorded losses for each of the five financial years ended 31 March 2021, 2022, 2023, 2024 and 2025, as well as for the six months ended 30 September 2025. These persistent losses have exerted significant pressure on the Group's working capital, which is largely tied up in ongoing construction projects of the Group.

To support the Group's business development and ease its working capital pressure, Sino Coronet has over the past few years advanced funds to the Group by way of unsecured and interest-free loans without requiring any collateral for, among other things, repayment of bank loans and payment of daily operating expenses of the Group. As at Latest Practicable Date, the amount due to Sino Coronet amounted to approximately HK\$35.8 million which was interest free, unsecured and repayable on demand. In parallel, the Group has implemented measures to improve its working capital, including (i) the disposal of land and buildings in the Philippines, which raised net proceeds of approximately PHP765.9 million (equivalent to approximately HK\$107.8 million), of which approximately PHP285.9 million (equivalent to approximately HK\$40.2 million) was used to repay the mortgage loan due to a bank in the Philippines, and the remaining balance of approximately PHP480.0 million (equivalent to approximately HK\$67.6 million) was used for repayment of bank loans, financing the business and as general working capital of the Group, as disclosed in the Company's circular dated 2 February 2024; and (ii) the disposal of a loss-making wholly-owned subsidiary principally engaged in civil engineering business in Hong Kong for a consideration of HK\$100 with no proceeds received by the Company after deducting the related transaction costs and expenses of the disposal, as disclosed in the Company's circular dated 23 May 2025. The Group remains committed to enhancing its long-term prospects by focusing on its core construction and trading business.

As stated in the Company's interim report for the six months ended 30 September 2025, the Group's cash and cash equivalents decreased from approximately HK\$14.5 million as at 31 March 2025 to approximately HK\$6.6 million as at 30 September 2025. In view of the tightening liquidity position and to replenish working capital, the Group recently approached Sino Coronet for an additional loan. Sino Coronet requested (i) the outstanding loans to be repaid in full before any further advances would be made; and (ii) the Group to formulate a concrete plan to strengthen its working capital position. Upon review, the Group noted that cash realised from trade and other receivables from customers is primarily used to settle payables relating to the corresponding construction projects. Therefore, such funds are needed to support ongoing operations and cannot be effectively redeployed as working capital for new projects or for head office expenses.

LETTER FROM THE BOARD

The Board has considered various fundraising alternatives, including issuing debt securities and obtaining further bank or other borrowings. The Group has already pledged its land and buildings as security for its existing bank borrowings. The remaining principal assets of the Group mainly comprise contract assets, as well as trade and other receivables arising from its overseas construction projects. In the past, the Group engaged in discussions with a number of banks regarding the possible pledge of these contract assets and receivables to obtain additional banking facilities. However, the banks indicated that they were not prepared to accept such assets as collateral, primarily because they were derived from overseas construction projects. Given the Group's limited collateral available to secure external financing and its ongoing losses over the past five financial years and the six months ended 30 September 2025, the Board considers it highly impracticable to secure external debt financing under the current circumstances. Having taken into account the intention to repay the Group's liabilities and the desire not to increase the Group's financing costs, the Board considers it more prudent to finance (i) the repayment of liabilities; and (ii) the Group's business development through equity fundraising rather than incurring additional indebtedness.

In evaluating equity fundraising options, the Board considered, among others, a placement of new Shares, an open offer and a rights issue. A placement of new Shares would likely dilute the interests of existing Shareholders and would not provide them with an opportunity to participate in the Company's capital-raising exercise. In addition, engaging a placing agent would incur extra costs and expenses. Between an open offer and a rights issue, the Board considers that a rights issue is more advantageous and appealing to the Qualifying Shareholders, as it provides greater flexibility by allowing them to trade the nil-paid rights attached to the Shares in the market.

In determining the terms of the Rights Issue, including the subscription ratio and the decision to proceed on a non-underwritten basis irrespective of the level of acceptances, the Company assessed the funding needs of the Group. The Rights Issue is intended to (i) repay a substantial portion of existing bank loans, financial guarantees and the amount due to Sino Coronet; (ii) raise funds for potential construction projects of the Group; and (iii) replenish the Group's general working capital.

After careful evaluation of these funding requirements, the Group concluded that a gross amount of approximately HK\$65 million should be raised. Based on the subscription price of HK\$0.07 per Rights Share, a total of approximately 930 million Rights Shares shall be issued. Given the total number of issued Shares is 1,869,159,962, the subscription ratio has been determined at one (1) Rights Share for every two (2) existing Shares held. Sino Coronet has provided an unconditional and irrevocable undertaking to the Company to subscribe in full for 519,728,125 Rights Shares, representing the provisional allotment nil-paid in respect of the 1,039,456,250 Shares legally and beneficially owned by it, and therefore at least approximately 55.61% of the Rights Shares will be issued.

In light of the Irrevocable Undertaking, the absence of any applicable regulatory requirement regarding a minimum subscription level for the Rights Issue, and the underwriting costs that would be incurred if the Rights Issue were to be conducted on an underwritten basis, the Company considered it appropriate to proceed with the Rights Issue on a non-underwritten basis irrespective of the level of acceptances. In addition, the Company has recorded losses attributable to Shareholders for each of the past five financial years ended 31 March 2021, 2022, 2023, 2024 and 2025, as well as for the six months ended 30 September 2025. In view of the Group's financial performance and position over recent years, the thin liquidity of the Shares on the Stock Exchange and the keen competition of the construction industry, the Board believes that it would be extremely difficult, if not impossible, to identify any institution or firm willing to act as underwriter to the Rights Issue on acceptable commercial terms. Even if an underwriter could be engaged, it is expected that the underwriting commission and associated fees would be substantial and would impose an additional and significant financial burden on the Group.

LETTER FROM THE BOARD

Accordingly, the Directors are of the view that proceeding with the Rights Issue on a non-underwritten basis not only enables the Group to raise funds in a cost-effective manner while offering all Qualifying Shareholders an equal opportunity to participate on a pro rata basis, but also avoids the payment of excessive or disproportionate underwriting fees, which the Board believes would not be in the best interests of the Company and its shareholders as a whole.

The Rights Issue is expected to raise net proceeds of up to approximately HK\$63.62 million, assuming no change in the number of Shares in issue on or before the Record Date. The Company intends to apply the net proceeds as follows:

- (i) approximately 70.7% (approximately HK\$45.00 million) for repaying the Group's liabilities, including as to (a) approximately HK\$35.80 million for repayment of amount due to Sino Coronet with outstanding amount of approximately HK\$35.8 million as at Latest Practicable Date and repayable on demand; and (b) approximately HK\$9.20 million (1) for repayment of financial guarantee contracts in full with outstanding amount of approximately HK\$6.9 million as at Latest Practicable Date and maturing in August 2026; and (2) the remaining balance of approximately HK\$2.3 million to be applied for monthly repayment of bank loan with outstanding amount of approximately HK\$7.2 million as at Latest Practicable Date and maturing in March 2037;
- (ii) approximately 15.7% (approximately HK\$10.00 million) for development of the Group's existing business including utilising as initial working capital of potential construction projects of the Group, such as payment of feasibility study costs, professional expertise services with local in-depth knowledge and experiences so as to assist the Group to carry out the projects as well as related costs of the projects. The potential projects primarily relate to the construction of factories in Southeast Asia. The Group has already submitted a quotation with a contract value of RMB32 million for one potential construction project in Southeast Asia and is currently awaiting the outcome. In respect of another potential construction project in Southeast Asia, for which the expected contract value is RMB20 million, the Group has paid the tender deposit and plans to submit the tender when the tendering process commences in the coming one to two months. In addition, the Group is in preliminary discussions regarding three other potential construction projects in Southeast Asia with an aggregate expected contract value of RMB115 million; and
- (iii) the remaining approximately 13.6% (approximately HK\$8.62 million) as general working capital of the Group including but not limited to salary expenses, rental expenses, professional fees and other business development expenses.

LETTER FROM THE BOARD

In the event of under-subscription of the Rights Issue, the net proceeds will be applied in the same proportions as set out above, so as to ensure that the application of the net proceeds remains consistent with the stated purposes of the Rights Issue. If, contrary to the above, the Company were to apply the net proceeds other than in the same proportions as set out above and instead settle a substantial portion of the existing bank loans, financial guarantees and the amount due to Sino Coronet first, there may be no, or only limited, net proceeds available for the Group's potential construction projects and general working capital. In such circumstances, the Group may need to negotiate and obtain further financing from Sino Coronet, which may be interest-bearing and could increase the Group's finance costs. In light of the foregoing, the Board considers that it is appropriate and in the interests of the Company and the Shareholders as a whole to apply the net proceeds from the Rights Issue in the same proportions as set out above in the event of any under-subscription of the Rights Issue. As less funds will be raised in the case of an under-subscription, the Group will try to negotiate with Sino Coronet to extend the term of repayment of the amount due to Sino Coronet. Moreover, the Group will adjust its business development plan to ensure that it can continue to settle its liabilities when they fall due. Such measures may include tendering for fewer construction projects, implementing cost-saving initiatives, seeking to shorten payment terms offered to customers for potential projects and negotiating to extend payment terms offered by suppliers, sub-contractors and other service providers for potential projects, so as to ease the Group's working capital pressure. The Directors considered that these contingency measures will enable the Group to prudently manage its liquidity position while still maintaining its business operations.

As at the Latest Practicable Date, the Company had no intention to conduct any further fundraising activities in the next 12 months in the event of an under-subscription of the Rights Issue. The Board will, however, continue to evaluate business opportunities from time to time with a view to promoting the long-term development of the Group. Should any promising business opportunities arise, or if there is any material change in the business environment and/or the financial position of the Group, the Company may consider further fundraising activities to support the Group's business development, and will make further announcement(s) in compliance with the Listing Rules as and when appropriate.

The Board is of the view that the Rights Issue offers equal opportunity and flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro-rata shareholdings in the Company by taking up their entitlement, applying for excess Rights Shares, acquiring additional rights in the market or disposing of their rights entitlements (subject to availability). Furthermore, the Rights Issue will enable the Group to reduce its liabilities and strengthen the Group's working capital to support future business development.

Having considered the above factors, the Board considers that the terms of the Rights Issue (including the subscription ratio, proceeding with the Rights Issue on a non-underwritten basis irrespective of the level of acceptances and the Subscription Price) are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

PREVIOUS FUND-RAISING EXERCISE OF THE COMPANY

There were no equity fund-raising activities carried out by the Company in the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 months period prior to the Latest Practicable Date and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules.

The Rights Issue 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.

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

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Conditions of the Rights Issue" in this letter above. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

The Shares have been dealt in on an ex-rights basis from Thursday, 5 February 2026. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 23 February 2026 to Monday, 2 March 2026 (both dates inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Friday, 6 March 2026) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares or the Rights Shares in their nil-paid form who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
Kwan On Holdings Limited
Chen Zhenghua
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

Financial information of the Group for each of the three financial years ended 31 March 2023, 2024 and 2025, and the six months ended 30 September 2025 were disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.kwanonconstruction.com). Set out below are links to the relevant annual reports and interim report of the Company:

- (i) The annual report of the Company for the year ended 31 March 2023 published on 28 July 2023 (pages 59 to 167):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800386.pdf>

- (ii) The annual report of the Company for the year ended 31 March 2024 published on 25 July 2024 (pages 58 to 165):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0725/2024072500246.pdf>

- (iii) The annual report of the Company for the year ended 31 March 2025 published on 25 July 2025 (pages 53 to 163):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0725/2025072500296.pdf>

- (iv) The interim report of the Company for the six months ended 30 September 2025 published on 11 December 2025 (pages 11 to 33):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1211/2025121100860.pdf>

2. INDEBTEDNESS STATEMENT

At the close of business on 9 January 2026, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this Prospectus, the detail of the total indebtedness of the Group are as follows:

	<i>HK\$</i>
Bank borrowing – secured and unguaranteed (<i>note a</i>)	7,244,000
Amount due to Sino Coronet – unsecured and unguaranteed (<i>note b</i>)	33,611,000
	<u>40,855,000</u>

Note a: Bank borrowing was secured by the Group's leasehold land and building.

Note b: The amount due to Sino Coronet is interest free and did not have any guarantee.

Contingent liabilities and financial guarantees

As at 9 January 2026, the Group's financial guarantee contracts were as follows:

	<i>HK\$</i>
Financial guarantees provided to third party	6,913,000

On 27 March 2025, the Company entered into the sales and purchase agreement with Ming Jia Investment Holdings Limited (“**Ming Jia**”), an independent third party. Pursuant to the agreement, the Company undertook the irrevocably guarantee to the Ming Jia the repayment obligations of the Company or Kwan On Construction Company Limited (“**Kwan On Construction**”) under two facility agreements dated 6 September 2019 and 19 December 2022 entered into between a bank and Kwan On Construction with respect to the provision of an uncommitted fixed term loan by the bank to Kwan On Construction (the “**Bank Facility**”). In any event, the guarantee amounts to be payable to Ming Jia shall not exceed HK\$17,000,000.

The duration of the guarantee will continue until the full repayment of the Bank Facility or until the borrower is successfully changed from Kwan On Construction to any of the companies of the Group, whichever occurs earlier. The guarantee covers the repayment of both the principal and the accrued interest under the Bank Facility.

Disclaimer

Save as aforesaid or as otherwise disclosed herein, apart from intra-group liabilities and normal trade payable, accruals and other payables in the ordinary course of business, the Group did not have outstanding at the close of business on 9 January 2026 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other contingent liabilities.

For the purpose of the above statement of indebtedness, foreign currency denominated amounts have been translated into Hong Kong dollar at the prevailing exchange rates as at the close of business on 9 January 2026.

The Directors confirm that there has been no material change in the Group's indebtedness position and contingent liabilities since 9 January 2026 up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, taking into account the financial resources presently available to the Group, including the internally generated funds from operations and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As set out in the interim result announcement of the Company dated 28 November 2025, the Group recorded a loss attributable to the Shareholders of approximately HK\$6.5 million for the six months ended 30 September 2025. The loss was primarily attributable to the fact that the Group was unable to generate sufficient gross profit to cover the Group's administrative and other operating expenses due to thin profit margin arising from keen market competition.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirmed that there had been no material change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in construction-related businesses and the trading of chemical materials in Southeast Asia and the PRC.

Due to the highly competitive and challenging conditions in the construction market, the Group's performance has been adversely affected, which has in turn placed significant pressure on its working capital. As disclosed in the Company's interim report for the six months ended 30 September 2025, the Group continued to record a loss for the period, and the balance of its cash and cash equivalents decreased from approximately HK\$14.5 million as at 31 March 2025 to approximately HK\$6.6 million as at 30 September 2025. In view of the foregoing, the Board has resolved to implement the Rights Issue with a view to strengthening the Group's working capital position.

As at 30 September 2025, the Group recorded unaudited net tangible assets attributable to the Shareholders of approximately HK\$73.1 million. As disclosed in the pro forma financial information of the Group set out in Appendix II to this Prospectus, on the assumption that the Rights Issue had been completed on 30 September 2025, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders would have been approximately HK\$136.7 million (on the basis that all Rights Shares were subscribed for in full by the Qualifying Shareholders) or approximately HK\$107.6 million (on the basis that only Sino Coronet, and no other Qualifying Shareholder, subscribed for its Rights Shares assured entitlement in full).

The Board is of the view that the successful completion of the Rights Issue will provide support for the Group's future development and financial stability. The Group remains committed to enhancing its long-term prospects by focusing on its core construction and trading businesses and by maintaining prudent financial management. The Group will continue to carry out operational reviews, implement stringent cost-control measures and explore suitable business opportunities. It will also seek to optimise the allocation of its resources and further strengthen its management team with a view to fostering the revenue streams.

In light of the prolonged trade tensions and tariff measures between the United States of America and the PRC, a growing number of enterprises have relocated parts of their manufacturing operations from the PRC to various countries in Southeast Asia in order to mitigate tariff exposure. This relocation trend has contributed to rising demand for industrial facilities, and an expansion of manufacturing and ancillary service activities in the region.

Against this backdrop of emerging opportunities, the Group has been actively evaluating and pursuing potential factory construction projects in Southeast Asia, with the objective of capitalising on the region's growth prospects. The Group is now evaluating a number of factory construction projects in Southeast Asia. By broadening its footprint and customer reach in these markets, the Group aims to strengthen and diversify its revenue base and support its long-term business development. On this basis, the Board remains confident in the long-term prospects of the Group.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2025 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2025 as if the Rights Issue had taken place on 30 September 2025.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2025, which has been extracted from the published interim report of the Company for the six months ended 30 September 2025, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to equity holders of the Company had the Rights Issue been completed as at 30 September 2025 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 immediately after the completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 September 2025 <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 September 2025 immediately after the completion of the Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>
Scenario I	73,059	63,621	136,680	0.04	0.05
Scenario II	73,059	34,581	107,640	0.04	0.05

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 is based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 of HK\$73,059,000, as extracted from the published interim report of the Company for the six months ended 30 September 2025.

2. **Scenario I**

Assuming all Qualifying Shareholders taking part in the Rights Issue, the estimated net proceeds from the Rights Issue are based on 934,579,981 Rights Shares to be issued (in the proportion of one Rights Share for every two Shares held on the Record Date) at the Subscription Price of HK\$0.07 per Rights Share and after deduction of the related expenses, which are directly attributable to the Right Issue, of approximately HK\$1.8 million.

	<i>HK\$'000</i>
Estimated gross proceeds	65,421
Estimated related expenses	(1,800)
	63,621
Estimated net proceeds	63,621

Scenario II

Assuming only the Controlling Shareholder taking part in the Rights Issue, the estimated net proceeds from the Rights Issue are based on 519,728,125 Rights Shares to be issued (in the proportion of one Rights Share for every two existing Shares held on the Record Date) at the Subscription Price of HK\$0.07 per Rights Share and after deduction of the related expenses, which are directly attributable to the Rights Issue, of approximately HK\$1.8 million.

	<i>HK\$'000</i>
Estimated gross proceeds	36,381
Estimated related expenses	(1,800)
	34,581
Estimated net proceeds	34,581

3. The unaudited consolidated net tangible assets attributable to owners of the Company per Share as at 30 September 2025 is based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 of approximately HK\$73,059,000, divided by 1,869,159,962 Shares in issue.

4. **Scenario I**

Assuming all Qualifying Shareholders taking part in the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 September 2025 immediately after the completion of the Rights Issue is arrived after aggregating the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 of approximately HK\$73,059,000 (*Note 1*) and the estimated net proceeds of approximately HK\$63,621,000 from the Rights Issue (*Note 2*), divided by 2,803,739,943 Shares which represents the sum of 1,869,159,962 Shares in issue and 934,579,981 Rights Shares issued under the Rights Issue, assuming the Rights Issue have been completed on 30 September 2025, but does not take into account of any Shares which may be issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

Scenario II

Assuming only the Controlling Shareholder taking part in the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 September 2025 immediately after the completion of the Rights Issue is arrived after aggregating the unaudited consolidated net tangible assets of the Group attributable of owners of the Company as at 30 September 2025 of approximately HK\$73,059,000 (*Note 1*) and the estimated net proceeds of approximately HK\$34,581,000 from the Rights Issue (*Note 2*), divided by 2,388,888,087 Shares which represents the sum of 1,869,159,962 Shares in issue and 519,728,125 Rights Shares issued under the Rights Issue, assuming the Rights Issue have been completed on 30 September 2025, but does not take into account of any Shares which may be issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

5. Save as disclosed above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2025.

The following is the text of the independent reporting accountants' assurance report received from Crowe (HK) CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Kwan On Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix II to the Prospectus issued by the Company dated 16 February 2026 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Prospectus on the Group's consolidated net tangible assets attributable to owners of the Company as at 30 September 2025 as if the Rights Issue had taken place at 30 September 2025. As part of this process, information about the Group's net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2025, on which an interim report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”), issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Crowe (HK) CPA Limited
Certified Public Accountants

Chan Wai Dune, Charles
Practising Certificate Number: P00712
Hong Kong
16 February 2026

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

(A) Share Capital

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

(a) *As at the Latest Practicable Date:*

	Number of Shares	Nominal value of Shares HK\$
Authorised:	10,000,000,000	100,000,000.00
Issued and fully paid:	1,869,159,962	18,691,599.62

(b) *Immediately after the completion of the Rights Issue (assuming (i) no other change in the shareholding structure of the Company before completion of the Rights Issue and (ii) full subscription under the Rights Issue):*

	Number of Shares	Nominal value of Shares HK\$
Authorised:	<u>10,000,000,000</u>	<u>100,000,000.00</u>
Issued and fully paid:	1,869,159,962	18,691,599.62
Rights Shares to be issued:	<u>934,579,981</u>	<u>9,345,799.81</u>
Shares in issue immediately after the Rights Issue:	<u>2,803,739,943</u>	<u>28,037,399.43</u>

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

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company did not have any outstanding options, warrants or convertible securities which confer rights to subscribe for or affect the Shares. No capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no founder or management or deferred shares or treasury shares.

3. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required, (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) to be notified to the Company and the Stock Exchange, pursuant to the Model Code are set out below:

Long positions in the Shares of the Company

Name of Director	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding
Mr. Chen Zhenghua	Beneficial owner	10,000	0.00
Mr. Gu Xiaochong	Beneficial owner	40,000	0.00

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company and their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which were required, (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

(b) Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors, the persons or companies (other than the Directors and chief executives of the Company) who/which had an interest or short position in the Shares or underlying Shares, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out below:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares (Note)	Approximate percentage of interest in the Company
Sino Coronet	Beneficial owner (Note)	1,039,456,250 (L)	55.61%
Jiangsu Provincial Construction Group Co., Ltd.* (江蘇省建築工程集團有限公司) (“ Jiangsu Construction ”)	Interest of controlled corporation (Note)	1,039,456,250 (L)	55.61%
Jiangsu Huayuan Investment Group Ltd.* (江蘇華遠投資集團有限公司) (“ Jiangsu Huayuan ”)	Interest of controlled corporation (Note)	1,039,456,250 (L)	55.61%
Greenland Infrastructure Group Co., Ltd.* (綠地大基建集團有限公司) (“ Greenland Infrastructure ”)	Interest of controlled corporation (Note)	1,039,456,250 (L)	55.61%
Greenland Holding Group Co., Ltd.* (綠地控股集團有限公司) (“ Greenland Holding Group ”)	Interest of controlled corporation (Note)	1,039,456,250 (L)	55.61%
Greenland Holdings Corporation Ltd.* (綠地控股集團股份有限公司) (“ Greenland Holdings Corp ”)	Interest of controlled corporation (Note)	1,039,456,250 (L)	55.61%
Ms. Chen Shi (陳詩) (“ Ms. Chen ”)	Interest of controlled corporation (Note)	1,039,456,250 (L)	55.61%

Note:

The 1,039,456,250 Shares were held by Sino Coronet, which is wholly owned by Jiangsu Construction, which in turn is owned as to 50% by Greenland Infrastructure, 35% by Jiangsu Huayuan and 15% by Nanjing Urban Development & Equity Investment Partnership Corporation Ltd. (Limited Partnership)* (南京城開股權投資合夥企業(有限合夥)).

Greenland Infrastructure is wholly owned by Greenland Holding Group, which in turn is owned as to 95% by Greenland Holdings Corp, a company established under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600606).

Jiangsu Huayuan is owned as to 99% by Ms. Chen and 1% by Ms. Dou Zhenghong.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and chief executives of the Company) who/which had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has or is proposed to have any service contract with any members of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and their respective close associates has engaged in any business that competes or is likely compete, directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN CONTRACTS, ARRANGEMENTS AND ASSETS

As at the Latest Practicable Date, (i) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group; and (ii) none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the members of the Group within the two years immediately preceding the issue of this Prospectus and are or may be material:

- (a) the sale and purchase agreement dated 27 March 2025 entered into between Ming Jia Investment Holdings Limited (名家投資控股有限公司) (as purchaser) and the Company (as vendor) in relation to the disposal of the entire issued share capital of Win Vision Holdings Limited and the unsecured and interest-free loan in an aggregate amount of HK\$32,430,219 provided by the Company to Win Vision Holdings Limited (the “**Sale Loan**”) together with any rights attaching thereto; and
- (b) the deed of transfer of the Sale Loan dated 27 March 2025 executed and delivered by and among the Company, Ming Jia Investment Holdings Limited (名家投資控股有限公司) and Win Vision Holdings Limited.

Save as disclosed above, no material contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date.

8. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which is contained or referred to in this Prospectus:

Name	Qualification
Crowe (HK) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Crowe (HK) CPA Limited had given and had not withdrawn its written consent to the issue of this Prospectus, with the inclusion of the references to its name and/or its opinion or report in the form and context in which they are included.

As at the Latest Practicable Date, Crowe (HK) CPA Limited did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had, since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Executive Directors	Mr. Chen Zhenghua Mr. Sun Xiaoran Mr. Gu Xiaochong
Non-executive Director	Ms. Li Yuping
Independent non-executive Directors	Prof. Lam Sing Kwong, Simon Mr. Lum Pak Sum Mr. Gong Zhenzhi
Authorised representatives	Mr. Sun Xiaoran Mr. Fung Kwok Wai
Company secretary	Mr. Fung Kwok Wai (a fellow member of both the Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountant)
Registered office	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Head office and principal place of business in Hong Kong	Unit 3401, 118 Connaught Road West, Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Principal bankers	Bank of China (Hong Kong) Limited Bank of China Tower, 1 Garden Road, Central, Hong Kong
	China CITIC Bank International Limited The Chinese Bank Building 61-65 Des Voeux Road Central, Hong Kong
Financial Adviser to the Company	Optima Capital Limited Suite 2101, 21st Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
Auditor	Crowe (HK) CPA Limited 9/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Legal advisers as to Hong Kong laws	Loong & Yeung Room 1603, 16/F, China Building, 29 Queen's Road Central, Central, Hong Kong

11. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. CHEN Zhenghua (“**Mr. Chen**”), aged 62, was appointed as an executive Director and the Chairman of the Board on 1 June 2017. Mr. Chen was graduated with a Master of Business Administration Degree (EMBA) from the Tsinghua University. He is a senior economist and a member of the Chinese People’s Political Consultative Conference of Jiangsu Province* (江蘇省政協常委). Mr. Chen is also the managing director of the Jiangsu Provincial Construction Group* (江蘇省建築工程集團有限公司). He has been awarded the titles of “Outstanding Entrepreneur of the Building Industry of China*” (全國建築業優秀企業家), “Outstanding Entrepreneur of Construction Companies of China*” (全國施工企業優秀企業家), and the “National May 1 Labour Medal*” (全國五一勞動獎章). In addition, Mr. Chen is an executive director of the Chinese Association for International Understanding* (中國國際交流協會), a chief supervisor of the Jiangsu Overseas Chinese Entrepreneurs Association* (江蘇僑商總會), the vice chairman of the Jiangsu Construction Industry Association* (江蘇省建築行業協會), the vice chairman of the Construction Market Manage Association of Jiangsu Province* (江蘇省建築市場管理協會), the vice chairman of the Jiangsu Sushang Development Promotion Association* (江蘇省蘇商發展促進會), and the honorary president of the Nanjing Overseas Chinese Investment Enterprise Association* (南京市僑商投資企業協會).

Mr. SUN Xiaoran (“**Mr. Sun**”), aged 34, was appointed as an executive Director on 14 April 2025. Mr. Sun was also appointed as the chief executive officer, the authorised representative and the compliance officer of the Company on 26 January 2026. He is the general manager of the overseas business department of Jiangsu Provincial Construction Group* (江蘇省建築工程集團有限公司). Mr. Sun graduated from Southeast University* (東南大學) with a Master’s degree in Engineering Management. He is a Senior Engineer* (高級工程師), a Certified First-Class Construction Engineer (specializing in Construction Engineering)* (註冊一級建造師(建築工程專業)), and a Certified First-Class Cost Engineer (specializing in Construction Engineering)* (註冊一級造價師(建築工程專業)). Mr. Sun is also a member of the Labor Union Committee* (工會委員) of Jiangsu Provincial Construction Group.

Mr. GU Xiaochong (“**Mr. Gu**”), aged 61, was appointed as an executive Director on 27 January 2026. Mr. Gu graduated from Shanghai University of Finance and Economics* (上海財經大學) in July 1987 with a Bachelor’s degree in accounting. He obtained the qualification of Certified Public Accountant of China in 1995. Mr. Gu has extensive experience in commerce, finance, investment, and corporate management. From August 1987 to December 2000, he worked at the Jiangsu Provincial Department of Commerce* (江蘇省商務廳), where he served in roles including Section Member* (歷任科員) and Chief Section Member* (主任科員). From December 2000 to May 2011, he worked at Jiangsu High Hope International Group Corporation* (江蘇開元國際集團), holding positions such as General Manager of the Planning Department* (工作歷任企劃部總經理), General Manager of the Investment Department* (投資部總經理), and Personal Assistant to the Group President* (集團總裁助理). From May 2011 to May 2016, he continued at Jiangsu High Hope International Group Corporation* (江蘇匯鴻國際集團) as General Manager of the Financial Securities Department* (金融證券部總經理) and General Manager of the Audit and Legal Department* (審計法律部總經理). From May 2016 to October 2024, Mr. Gu served as Chairman and General Manager* (董事長及總經理) of Jiangsu High Hope Venture Investment Company* (江蘇匯鴻創業投資公司). Concurrently, from October 2018 to February 2021, he held the positions of Secretary of the Party Committee* (黨委書記) and President* (董事長) of Wuxi Tian Peng Group Co., Ltd* (無錫天鵬集團公司).

Non-executive Director

Ms. LI Yuping (“**Ms. Li**”), aged 39, was appointed as a non-executive Director on 11 December 2024. Ms. Li is currently the chief administrative officer of Jiangsu Provincial Construction Group* (江蘇省建築工程集團有限公司), which is a shareholder of Sino Coronet. Ms. Li graduated from the Business School of Nanjing University in 2016 with a Master of Business Administration degree and is an intermediate economist. Ms. Li has been awarded the title of “Excellent Liaison Officer”* (優秀聯絡員) by the China Association of Construction Enterprise Management (中國施工企業管理協會) and “Excellent Member”* (優秀會員) by the Jiangsu Provincial Direct Working Committee of the China National Democratic Construction Association* (中國民主建國會江蘇省直工委).

Independent non-executive Directors

Professor LAM Sing Kwong, Simon (“**Professor Lam**”), aged 67, was appointed as an independent non-executive Director on 16 March 2015. Professor Lam is a Professor of Management and Strategy at the Faculty of Business and Economics at The University of Hong Kong. Previously, he served as Head of the Faculty’s Management and Strategy Area, Director of the Centre of Asian Entrepreneurship and Business Values, Associate Dean of the Faculty of Business and Economics and held the position of Ian Davies Endowed Professor in Ethics at the University of Hong Kong.

Before joining the University of Hong Kong, Professor Lam had worked as a management consultant and as a regional manager for a bank. He has gained extensive experience in the area of corporate governance, strategy development and corporate finance.

Professor Lam is the independent non-executive director of Overseas Chinese Town (Asia) Holdings Limited (stock code: 03366), Jacobson Pharma Corporation Limited (stock code: 02633), and Qingci Games Inc. (stock code: 06633). Additionally, he is an independent director of Grande Group Limited (stock code: GRAN), a company listed on NASDAQ in the United States.

Mr. LUM Pak Sum (“**Mr. Lum**”), aged 64, was appointed as an independent non-executive Director on 26 August 2016. Mr. Lum obtained a master’s degree in business administration from the University of Warwick UK in 1994 and a bachelor’s degree in laws from University of Wolverhampton UK in 2002. He has been currently a non-practising fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, U.K. since 1996 and 1993 respectively. Mr. Lum possesses over 20 years of working experience in money market and capital market.

Mr. Lum’s positions in other companies listed on the Stock Exchange in the present and in the past three years are set out below:

Name of company	Position	Period of service
Great China Holdings (Hong Kong) Limited (stock code: 21)	Independent non-executive director	August 2007 to June 2023
i-Control Holdings Limited (stock code: 1402)	Independent non-executive director	May 2015 to present
Anxian Yuan China Holdings Limited (stock code: 922)	Independent non-executive director	May 2017 to present
Wai Hung Group Holdings Limited (stock code: 3321)	Independent non-executive director	October 2024 to May 2025
Sunway International Holdings Limited (stock code: 58)	Non-executive director	May 2019 to January 2025
Imperial Pacific International Holdings Limited (stock code: 1076)	Independent non-executive director	October 2023 to April 2024

Mr. GONG Zhenzhi (“**Mr. Gong**”), aged 55, was appointed as an independent non-executive Director on 23 April 2018. Mr. Gong was graduated from the Southeast University* (東南大學) in Nanjing, China with a Bachelor Degree in Engineering in the profession of manufacturing of machinery and equipment* (機械製造工藝與設備專業) in June 1993. In March 1999, Mr. Gong obtained a Master’s Degree in Management in the profession of management science and engineering from the Nanjing University of Aeronautics and Astronautics* (南京航空航天大學). In October 2008, Mr. Gong obtained a Doctoral Degree in Management in the profession of management science and engineering from the Southeast University* (東南大學). In June 2010, Mr. Gong obtained a Master of Public Management Degree from The University of Maryland. Mr. Gong has served as the head of a High-tech Product Research and Development Department of a large scale stated-owned enterprise, the chairman of a large scale state-owned enterprise and the president of a university’s Industrial Research Institute.

Senior Management

Mr. Sun was appointed as the chief executive officer of the Company on 26 January 2026. The biographical details of Mr. Sun are set out above in this appendix.

Mr. FUNG Kwok Wai (“**Mr. Fung**”), aged 65, was appointed as the company secretary of the Company and the Chief Financial Officer of the Group on 14 February 2019. He is responsible for the overall financial and company secretarial aspects of the Group. Mr. Fung is a fellow member of both the Association of Chartered Certified Accountants and The Hong Kong Institute of the Certified Public Accountants. He holds a bachelor degree and has 30 years’ experience in auditing, finance, accounting and company secretarial work.

Business address of the Directors and the senior management of the Company

The business address of the Directors and the senior management of the Company is the same as the Company’s principal place of business in Hong Kong at Unit 3401, 118 Connaught Road West, Hong Kong.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kwanonconstruction.com) for 14 days from the date of this Prospectus:

- (a) the letter issued by the reporting accountant regarding the unaudited pro forma financial information as set out in Appendix II to this Prospectus;
- (b) the material contracts, referred in the paragraph headed “7. Material Contracts” in this appendix; and
- (c) the written consent of the expert as referred to in the section headed “9. Qualification and Consent of Expert” in this appendix.

13. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, the Directors are not aware of any restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The English text of this Prospectus shall prevail over the respective Chinese text in the case of inconsistency.

14. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to financial adviser, legal advisers, financial printer and other parties involved in the Rights Issue are estimated to amount to approximately HK\$1.8 million and are payable by the Company.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. Qualification and Consent of Expert” in this appendix have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.

16. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.