



**FORTIS HOLDINGS LIMITED**

**( 中 建 富 通 集 團 有 限 公 司 )**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 00138)**

*Executive Directors:*

Mr. Mak Shiu Tong, Clement

*(Chairman and Chief Executive Officer)*

Ms. Cheng Yuk Ching, Flora

*(Deputy Chairman)*

*Non-Executive Director:*

Mr. Yuen Wai Kin

*Independent non-executive Directors:*

Mr. Chen Li

Mr. Chow Siu Ngor

Mr. Lau Ho Kit, Ivan

*Registered office:*

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

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

Floor 26A, Fortis Tower

77-79 Gloucester Road

Hong Kong

22 October 2026

*To the Shareholders*

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO  
THE AMENDMENTS TO THE 2025 CONVERTIBLE BONDS DUE 2025;  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcement in relation to, among others, the entering into of the Second Deed of Amendment. The entering into of the Second Deed of Amendment constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) details of the Second Deed of Amendment and other information as required under the Listing Rules; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Second Deed of Amendment and the transactions contemplated thereunder; (iii)

the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Second Deed of Amendment and the transactions contemplated thereunder; (iv) general information of the Group; and (v) a notice of the SGM.

## **BACKGROUND OF THE 2025 CONVERTIBLE BONDS**

References are made to the announcements of the Company dated 16 November 2022, 11 January 2023 and 20 January 2023, and the circular of the Company dated 19 December 2022 in relation of the issue of the 2025 Convertible Bonds in the aggregate principal amount of HK\$220,000,000 to Treasure Goal. References are also made to the announcements of the Company dated 17 May 2023 and 5 June 2024, in relation to, amongst others, the transfer and conversion of part of the 2025 Convertible Bonds. References are also made to the announcements of the Company dated 2 January 2026 and 25 February 2026, and the circular of the Company dated 9 February 2026 in relation to the entering into of the amendment deed on 2 January 2026 for the amendments to be made to the 2025 Convertible Bonds (the “**First Deed of Amendment**”). As such amendment deed was not approved by the Independent Shareholders at the special general meeting of the Company held on 25 February 2026, the conditions of such amendment deed had not been satisfied and the amendments thereunder did not take effect.

The 2025 Convertible Bonds have fallen due on 31 December 2025 pursuant to the existing terms and conditions of the 2025 Convertible Bonds. As at the Latest Practicable Date, the aggregate principal amount of the 2025 Convertible Bonds remaining outstanding is HK\$87,920,000 which is held as to HK\$83,000,000 by Treasure Goal and HK\$4,920,000 by Cheer Fame, respectively. Both Treasure Goal and Cheer Fame are principally engaged in investment holdings.

## **THE SECOND DEED OF AMENDMENT**

On 11 September 2026, after trading hours, the Company and the Bondholders entered into the Second Deed of Amendment pursuant to which the Company and the Bondholders have conditionally agreed to amend the terms and conditions of the 2025 Convertible Bonds as follows:

- (i) the maturity date of the 2025 Convertible Bonds be extended for three (3) years from 31 December 2025 to the Extended Maturity Date;
- (ii) the conversion price of the 2025 Convertible Bonds be changed to HK\$0.27 per Conversion Share from and including the date of the amendments under the Second Deed of Amendment having become effective to and including the Extended Maturity Date; and
- (iii) the interest rate of the 2025 Convertible Bonds be decreased from 4.5% per annum to 0% per annum from and including 11 September 2026 to and including the Extended Maturity Date,

(collectively the amendments above, the “**Amendments**”).

Save for the Amendments, all other terms and conditions of the 2025 Convertible Bonds shall remain unchanged and in full force and effect.

An application will be made by the Company to the Stock Exchange for the approval of the Amendments pursuant to Rule 28.05 of the Listing Rules.

### **Undertaking by the Bondholders**

Each of the Bondholders irrevocably and unconditionally undertakes to the Company that, (a) it will not assign or transfer any part of the outstanding principal amount of the 2025 Convertible Bonds to any transferee pursuant to the terms and condition of the 2025 Convertible Bonds on or before the Long Stop Date or the date of the Amendments having become effective, whichever is earlier; and (b) it will not take any action or proceedings against the Company to enforce repayment of any amount due and repayable by the Company under the 2025 Convertible Bonds pursuant to the terms and conditions of the 2025 Convertible Bonds on or before the Long Stop Date or the date of the Amendments having become effective, whichever is earlier.

### **Conditions of the Second Deed of Amendment**

The Second Deed of Amendment is conditional upon:

- (i) the passing by the Independent Shareholders at the SGM of the necessary resolutions to approve the Second Deed of Amendment, the transactions contemplated thereunder and the Specific Mandate;
- (ii) the Company having obtained the approval for the Amendments from the Stock Exchange in accordance with Rule 28.05 of the Listing Rules;
- (iii) the Listing Committee having granted listing of, and permission to, deal in the Conversion Shares to be allotted and issued upon the exercise of conversion rights attached to the 2025 Convertible Bonds; and
- (iv) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Second Deed of Amendment and the Amendments having been obtained and remained in full force and effect; and
- (v) all necessary consents and approvals required to be obtained on the part of the Bondholders in respect of the Second Deed of Amendment and the Amendments having been obtained and remained in full force and effect.

The Amendments shall take effect on the next Business Day when all the conditions above are fulfilled. None of the above conditions can be waived. If any of the above conditions is not fulfilled on or before the Long Stop Date, the Second Deed of Amendment shall automatically be terminated and be of no further effect and the Company and the Bondholders shall be released from all obligations thereunder.

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

## Principal terms of the 2025 Convertible Bonds immediately after the Amendments

All the terms of the 2025 Convertible Bonds shall remain unchanged save as revised by the Amendments. The principal terms of the 2025 Convertible Bonds as disclosed in the announcement of the Company dated 16 November 2022 and the circular of the Company dated 19 December 2022 (as revised by the Amendments) are summarised below:

|                                         |                                                                                                             |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Issue price:                            | 100% of the principal amount                                                                                |
| Aggregate Outstanding Principal amount: | HK\$87,920,000                                                                                              |
| Conversion price:                       | The Conversion Price shall be HK\$0.27 per Conversion Share, subject to adjustments as hereafter described. |

The Conversion Price of HK\$0.27 per Conversion Share was determined after arm's length negotiations between the Company and the Bondholders with reference to the prevailing market price of the Shares, which represents:

- (i) a discount of approximately 8.47% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the date of the Second Deed of Amendment;
- (ii) a discount of approximately 8.78% to the average closing prices of HK\$0.296 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Second Deed of Amendment; and
- (iii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 5.89%, represented by the theoretical diluted price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.2786 per Share, to the benchmarked price of HK\$0.296 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (a) the closing price of HK\$0.295 per Share on the date of the Second Deed of Amendment; and (b) the average closing price of HK\$0.296 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Second Deed of Amendment.

The basis of determination for the Conversion Price of HK\$0.27 per Conversion Share also took into account, amongst others, the following factors:

- (i) The Board considered that the original theoretical Conversion Price of HK\$1.60 per conversion share (as adjusted by the Capital Reorganisation which took effect on 27 February 2026) before the expiry of the 2025 Convertible Bonds was substantially above the prevailing market price of HK\$0.295 as at the date of the Second Deed of Amendment, which had become economically unworkable. In the absence of an adjustment of the Conversion Price, the conversion feature is unlikely to be exercised and the 2025 Convertible Bonds had, in substance, become a cash redemption obligation at maturity.
- (ii) The Company did not have sufficient financial capacity to meet the redemption obligation. As at 30 June 2026, the outstanding principal amount of the 2025 Convertible Bonds of approximately HK\$87.92 million significantly exceeded the Company's cash and cash equivalents of approximately HK\$13 million. The Board considered that preserving liquidity for ongoing operations and avoiding a near term repayment cliff was therefore critical.
- (iii) The Conversion Price of HK\$0.27 per Conversion Share was determined with reference to the prevailing market price while also taking into account the extremely limited trading liquidity of the Shares. For the 12 months period ended 11 September 2026 (being the date of the Second Deed of Amendment), the average daily trading volume of the Shares was 22,409 Shares, representing only 0.0140% of the issued share capital of the Company. In the Board's view, such illiquidity materially increased execution risk for a conversion of meaningful size, and a discount to the benchmark price was therefore commercially necessary to arrive at a conversion price that could realistically induce conversion and facilitate the restructuring of the 2025 Convertible Bonds.

- (iv) The adjustment to the Conversion Price formed part of an overall amendment package under which the Bondholders provided material concessions to the Company, including (a) a reduction of the interest rate of the 2025 Convertible Bonds from 4.5% per annum to 0% per annum from 11 September 2026 to the Extended Maturity Date, resulting in estimated interest savings of approximately HK\$9.1 million assuming that there is no conversion of the 2025 Convertible Bonds before the Extended Maturity Date; and (b) a three year extension of the original maturity date.
- (v) The Company approached two of its existing banks but they refused to increase the facility amount. In addition, the Company has been in discussions with three other financial institutions to explore potential new credit lines; however, no terms have been offered by such financial institutions and no such facilities have been successfully secured as at the Latest Practicable Date. The Group was in net current liability positions as at 31 December 2025 and 30 June 2026 and the effective interest rates of the bank loans and other loan (excluding leases liabilities) of the Group ranged from 2.75% to 24.00% for the year ended 31 December 2025 and the six months ended 30 June 2026. Under the Amendments, the interest rate of the 2025 Convertible Bonds will be reduced to nil. Even if the Company could obtain debt financing to repay the 2025 Convertible Bonds and the accrued interest, its current financial position suggests that such borrowing would likely carry a relatively high interest rate which will significantly weaken the Group's cashflow and further deteriorate its net current liability position.

By reason of the above, the Board is of the view that the basis for determining the revised Conversion Price is fair and reasonable, and that notwithstanding the discount to the benchmark price, the adjustment represents a value preserving solution and is in the interests of the Company and its Shareholders as a whole.

Adjustment events:

The Conversion Price shall from time to time be subject to adjustment upon occurrence of the following events:

- (i) an alteration to the nominal number of the Shares by way of consolidation, sub-division, or reclassification;
- (ii) an issue (other than in lieu of cash dividend and other than issue that would amount to capital distribution) of any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution (in cash or specie and whether on a reduction of capital or otherwise) to the Shareholders or grant to the Shareholders rights to acquire for cash assets of the Group;
- (iv) an offer of new Shares to the Shareholders for conversion by way of rights, or grant, to Shareholders of any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant;
- (v) (aa) an issue of securities wholly for cash or for reduction of liabilities or for acquisition of asset which by their terms are convertible into or exchangeable for or carry rights of conversion for new Shares, and the total effective consideration per Share initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities;

(bb) modification of the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e), so that the total effective consideration per Share initially receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription;

(vi) an issue of any Shares wholly for cash or for reduction of liabilities at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue; and

(vii) an issue of any Shares for the acquisition of asset at a total effective consideration per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue.

Interest rate:

(a) 4.5% per annum from and including the date of issue of the 2025 Convertible Bonds to and including 10 September 2026; and

(b) 0% per annum from and including 11 September 2026 to and including the Extended Maturity Date

Interest accrued on the 2025 Convertible Bonds would not be convertible into the Conversion Shares.

Conversion Shares:

Based on the aggregate outstanding principal amount of the 2025 Convertible Bonds of HK\$87,920,000, the 2025 Convertible Bonds are convertible into 325,629,629 Conversion Shares at the initial conversion price of HK\$0.27 per Conversion Share (subject to adjustments), of which 307,407,407 Conversion Shares and 18,222,222 Conversion Shares may be issued to Treasure Goal and Cheer Fame respectively upon exercise of the conversion rights. The 325,629,629 Conversion Shares represents:

(i) approximately 203.56% of the total issued share capital of the Company as at the Latest Practicable Date; and

- (ii) approximately 67.06% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise in full of the conversion rights attaching to the 2025 Convertible Bonds.

Conversion period:

The period commencing from the issue date of the 2025 Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the day immediately prior to and exclusive of the Extended Maturity Date.

Conversion rights and restrictions:

The holder(s) of the 2025 Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the 2025 Convertible Bonds registered in its name into the Conversion Shares provided further that (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$500,000 on each conversion save that if at any time the aggregate outstanding principal amount of the 2025 Convertible Bonds is less than HK\$500,000, the whole (but not part only) of the outstanding principal amount of the 2025 Convertible Bonds may be converted; and (ii) the exercise of the conversion rights attached to the 2025 Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the Listing Rules.

Early redemption at the option of the Company:

The Company shall be entitled at its sole discretion, by giving not less than seven (7) days' notice to the holder(s) of the 2025 Convertible Bonds, propose to the holder(s) to redeem the outstanding 2025 Convertible Bonds (in multiples of HK\$500,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding 2025 Convertible Bonds at any time after the date of issue of the 2025 Convertible Bonds up to and including the date falling seven (7) days immediately before the Extended Maturity Date.

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ranking:                | The Conversion Shares, when allotted and issued, shall rank <i>pari passu</i> in all respects with the Shares in issue on the relevant conversion date including the right to all dividends or other distributions, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the relevant conversion date. |
| Extended Maturity Date: | 31 December 2028                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Voting rights:          | The holder(s) of the 2025 Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.                                                                                                                                                                                                                                                                                                                                            |
| Transferability:        | Subject to compliance with the Listing Rules, the 2025 Convertible Bonds may be transferred or assigned in whole or in part in integral multiples of HK\$500,000 by the holder(s) of the 2025 Convertible Bonds to any party, save and except that the 2025 Convertible Bonds shall not be transferred to a connected person of the Company unless with the prior written consent of the Company.                                                                        |
| Security:               | The obligations of the Company under the 2025 Convertible Bonds are unsecured.                                                                                                                                                                                                                                                                                                                                                                                           |

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full conversion of the 2025 Convertible Bonds at the Conversion Price are as follows:

|                                                                    | (i) As at the<br>Latest Practicable Date |                          | (ii) Immediately upon full<br>conversion of the 2025<br>Convertible Bonds at the<br>Conversion Price |                          |
|--------------------------------------------------------------------|------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------|--------------------------|
|                                                                    | <i>No. of<br/>Shares</i>                 | <i>Approximate<br/>%</i> | <i>No. of<br/>Shares</i>                                                                             | <i>Approximate<br/>%</i> |
| <b>Mr. Mak</b>                                                     |                                          |                          |                                                                                                      |                          |
| Mr. Mak ( <i>Note 1</i> )                                          | 2,558,965                                | 1.60                     | 2,558,965                                                                                            | 0.53                     |
| Treasure Goal ( <i>Note 2</i> )                                    | —                                        | —                        | 307,407,407                                                                                          | 63.31                    |
| <b>Mr. TK Mak</b>                                                  |                                          |                          |                                                                                                      |                          |
| Cheer Fame ( <i>Note 3</i> )                                       | —                                        | —                        | 18,222,222                                                                                           | 3.75                     |
| <b>Entities held by Mr. Mak and<br/>Mr. TK Mak (<i>Note 4</i>)</b> |                                          |                          |                                                                                                      |                          |
| Capital Winner                                                     | 46,842,367                               | 29.28                    | 46,842,367                                                                                           | 9.65                     |
| New Capital                                                        | 45,260,761                               | 28.29                    | 45,260,761                                                                                           | 9.32                     |
| Capital Force                                                      | 9,354,679                                | 5.85                     | 9,354,679                                                                                            | 1.93                     |
| <b>Public Shareholders</b>                                         | <u>55,950,773</u>                        | <u>34.98</u>             | <u>55,950,773</u>                                                                                    | <u>11.51</u>             |
| <b>Total</b>                                                       | <u>159,967,545</u>                       | <u>100.00</u>            | <u>485,597,174</u>                                                                                   | <u>100.00</u>            |

*Notes:*

1. Mr. Mak is the chairman, an executive Director and the controlling Shareholder of the Company.
2. Treasure Goal is beneficially and wholly owned by Mr. Mak and is a close associate of Mr. Mak.
3. Cheer Fame is beneficially and wholly owned by Mr. TK Mak and is a close associate of Mr. TK Mak.
4. Capital Winner, New Capital and Capital Force are private corporations owned as to 51% by Mr. Mak and as to 49% by Mr. TK Mak, a son of Mr. Mak, beneficially. Mr. Mak and Mr. TK Mak are deemed to be interested in 101,457,807 Shares held by these companies under the SFO as they control the exercise of all the voting power at respective general meetings of these companies.
5. The shareholding structure is prepared for illustrative purpose only. There is no right for the Bondholders to convert any principal amount of the 2025 Convertible Bonds and the Company shall not issue any Conversion Shares thereof if, upon such conversion and issue of the Conversion Shares, the Company will not be able to comply with the minimum public float requirement under the Listing Rules.
6. Mr. Mak, Mr. TK Mak and the entities held by Mr. Mak and Mr. TK Mak together holds approximately 65.02% of the issued capital of the Company. There is no restriction for a Bondholder to convert any principal amount of the 2025 Convertible Bonds even if such conversion would trigger a mandatory general offer obligation under the Takeovers Code. The Bondholders shall comply with the Takeovers Code if such conversion would trigger a mandatory general offer obligation under the Takeovers Code.

## **FUND RAISING DURING THE PAST TWELVE MONTHS**

Save for the entering into of the deed of amendment on 2 January 2026 in respect of the 2025 Convertible Bonds, the Company has not conducted any equity fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date.

## **REASONS FOR AND BENEFITS OF THE SECOND DEED OF AMENDMENT**

The Group is principally engaged in (i) property business; (ii) securities business; (iii) multifaceted automotive business and investments in valuable collections; and (iv) cultural entertainment business.

The terms of the Second Deed of Amendment were determined after arm's length negotiations between the Company and the Bondholders.

In view of the Group's net current liability position as at 30 June 2026, the Company did not have sufficient financial capacity to meet the redemption obligation despite the maturity of the Convertible Bonds on 31 December 2025. As such, the extension of the maturity date of the 2025 Convertible Bonds and the reduction of interest rate of the 2025 Convertible Bonds pursuant to the Second Deed of Amendment would mean that the outstanding amount of the 2025 Convertible Bonds will be classified as a non-current liability after extension and would enable the Company to postpone its cash outflow and allow the Group to have more financial flexibility in the deployment of its working capital for its businesses operations and development, and thus will allow the Company to retain its financial resources for a longer period of time and represents an opportunity to enhance the working capital of the Company. Also, the reduction of interest rate of the 2025 Convertible Bonds would reduce the Company's financing costs and near term cash outflows, thereby improving its ability to stabilise operations and recover financial performance.

After the First Deed of Amendment was not approved by the Independent Shareholders, the Company was actively exploring alternative funding arrangements with a view to meeting its obligations under the 2025 Convertible Bonds including (i) new debt financing and additional bank borrowings; (ii) other fund-raising activities such as placing of new shares and rights issue; and (iii) disposal of certain assets of the Group to generate additional cash inflows, for the purpose of securing sufficient resources for the repayment of the principal amount of and interest accrued on the 2025 Convertible Bonds in an orderly manner. The Company had also been in discussion with the bondholders of the 2025 Convertible Bonds with a view to securing undertakings from the bondholders not to demand for the repayment of the principal amount of and interest accrued on the 2025 Convertible Bonds for a period of exceeding one year.

After the First Deed of Amendment was not approved by the Independent Shareholders, the Company has approached two of its existing banks but they refused to increase the facility amount and the Company has also contacted three other financial institutions to explore potential new credit lines. Given the Group's net current liabilities of approximately HK\$321 million as at 30 June 2026, it would be very difficult for the Group to obtain further debt financing, let alone on favourable terms. In addition, certain of the Group's assets with a net book value of approximately HK\$1,647 million and time deposits of approximately HK\$17

million have already been pledged to secure bank and other borrowings as at 30 June 2026. As such, no new facilities had been successfully secured as at the Latest Practicable Date. Additional borrowings would also incur interest and arrangement costs, whereas the Amendments would reduce the interest rate on the 2025 Convertible Bonds to nil with effect from 11 September 2026 upon becoming effective.

Placing of new shares would require identifying investors prepared to subscribe for a sufficient amount. Given the Group's continuing losses and liquidity constraints, both the quantum and timing of proceeds are uncertain. Investors may also demand a substantial discount to the prevailing market price, while placing commissions and other expenses would further reduce net proceeds available for repayment of the 2025 Convertible Bonds. A placing would cause immediate dilution to existing Shareholders. By contrast, the Amendments themselves would not result in immediate dilution; any dilution would arise only upon exercise of the conversion rights under the 2025 Convertible Bonds as amended.

Rights issue or open offer would give existing Shareholders a pro-rata opportunity to participate. However, the proceeds would depend on subscription levels and any underwriting support. In light of the Group's continuing losses and net current liability financial position, Shareholders' willingness to contribute additional capital is uncertain. A shortfall could leave the Company unable to repay the outstanding 2025 Convertible Bonds in full. Such an exercise would also entail preparation of offering documents, professional fees and, if required, underwriting costs, all of which would reduce net proceeds. Non-participating Shareholders would face dilution, and the time needed to complete the fundraising is a further concern given that the 2025 Convertible Bonds are already overdue. A rights issue or open offer carries material uncertainty as to both the amount and timing of funds available to meet the repayment obligation.

As disclosed in the announcement of the Company dated 22 May 2026, the Group entered into an agreement to dispose of a property of the Group for HK\$42,450,000. However, the proceeds from the disposal had to be used for the repayment of the outstanding revolving loans of the Group secured by a mortgage over such property and could not be used for partial settlement of the 2025 Convertible Bonds.

Whilst the First Deed of Amendment was not approved by the Independent Shareholders at the special general meeting of the Company held on 25 February 2026, the terms of the Second Deed of Amendment have become more favourable to the Company and its Shareholders as a whole as compared to the First Deed of Amendment in terms of the discount of the Conversion Price and the theoretical dilution effect. The Conversion Price proposed under the Second Deed of Amendment represents a discount of about 8.47% to the closing price per Share as quoted on the Stock Exchange on the date of the Second Deed of Amendment, which is dramatically lower than the discount of about 36.62% to the closing price per Share proposed under the First Deed of Amendment. The theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) has also decreased significant from approximately 20.14% under the First Deed of Amendment to approximately 5.89% under the Second Deed of Amendment. When considering whether the current proposal should be put forward to the Independent Shareholders for approval, the Company has to consider the interests of the Company and all the Independent Shareholders (including the Independent

Shareholders who opposed to the First Deed of Amendment (the “**Opposing Shareholders**”)). Although the Company has no specific knowledge of the reason why the Opposing Shareholders did not approve the First Deed of Amendment, the Company estimates that the discount for the Conversion Price and the theoretical dilution effect under the First Deed of Amendment may be the concern of the Opposing Shareholders. The terms of the Second Deed of Amendment have been improved significantly in terms of the discount for the Conversion Price and the theoretical dilution effect. In view of the above, the Board is of the view that all the Independent Shareholders (including the Opposing Shareholders if they still have Shares) should be given an opportunity to consider and vote on the Second Deed of Amendment.

In the event the Second Deed of Amendment is not approved by the Independent Shareholders at the SGM, the principal amount of the 2025 Convertible Bonds will remain outstanding and unpaid after its maturity on 31 December 2025. This would constitute a default under the 2025 Convertible Bonds, which could impair the Group’s ability to obtain debt financing from financial institutions and create further financial strain on the Group, thereby negatively affecting its financial position and creating material uncertainties that may cast significant doubt on its ability to continue operating as a going concern.

As such, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Second Deed of Amendment are fair and reasonable and that the Amendments are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. Accordingly, an application will be made by the Company to the Stock Exchange for the approval of the Amendments.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon conversion of the 2025 Convertible Bonds. No application will be made for the listing of the 2025 Convertible Bonds on the Stock Exchange or any other stock exchange.

Treasure Goal, one of the Bondholders is beneficially and ultimately owned by Mr. Mak, being the chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company, and Cheer Fame, the other Bondholder, is beneficially and wholly owned by Mr. TK Mak, the chairman and the chief executive officer of the Blackbird Group, a controlling shareholder of the Company and the son of Mr. Mak, and hence Treasure Goal and Cheer Fame are connected persons of the Company under Chapter 14A of the Listing Rules. Mr. Mak holds 2,558,965 Shares, representing approximately 1.60% of the issued share capital of the Company, and Mr. Mak and Mr. TK Mak are deemed under Part XV of the SFO to be interested in an aggregate of 101,457,807 Shares held by Capital Winner, New Capital and Capital Force, representing approximately an aggregate of 63.42% of the issued share capital of the Company. Accordingly, the entering into of the Second Deed of Amendment

constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Mak has abstained from voting on the resolutions in relation to the Second Deed of Amendment and the transactions contemplated thereunder, including the grant of the Specific Mandate proposed to the Board. Save as disclosed above, none of the Directors whom attended the Board meeting has a material interest in the Second Deed of Amendment and the transactions contemplated thereunder, including the grant of the Specific Mandate.

## **SGM**

A notice convening the SGM to be held at Units 5906-5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong at 3 p.m. on Tuesday, 10 November 2026 is set out on pages SGM-1 to SGM-3 of this circular. An ordinary resolution will be proposed at the SGM to approve the Second Deed of Amendment and the transactions contemplating respectively thereunder, including but not limited to, the grant of the Specific Mandate for the allotment and issue of the Conversion Shares.

Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the SGM (i.e. 3 p.m. on Sunday, 8 November 2026) or any adjourned SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

An Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Chen Li, Mr. Chow Siu Ngor and Mr. Lau Ho Kit, Ivan, has been formed to advise the Independent Shareholders, and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders regarding the Second Deed of Amendment and the transactions contemplated thereunder. Merdeka Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Treasure Goal, one of the Bondholders is beneficially and ultimately owned by Mr. Mak, being the chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company, and Cheer Fame, the other Bondholder, is beneficially and wholly owned by Mr. TK Mak, the chairman and the chief executive officer of the Blackbird Group, a controlling shareholder of the Company and the son of Mr. Mak, and hence Treasure Goal and Cheer Fame are connected persons of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, (i) Treasure Goal and Cheer Fame do not hold any Shares; (ii) Mr. Mak holds 2,558,965 Shares directly, representing approximately 1.60% of the issued share capital of the Company; and (iii) Mr. Mak and Mr. TK Mak are deemed under Part XV of the SFO to be interested in an aggregate of 101,457,807 Shares held by Capital Winner, New Capital and Capital Force, representing approximately an aggregate of 63.42% of the issued share capital of the Company. Accordingly, Treasure Goal and Cheer Fame and their

respective associates including Mr. Mak, Mr. TK Mak, Capital Winner, New Capital and Capital Force, shall abstain from voting in respect of 104,016,772 Shares held by them in aggregate, representing approximately 65.02% of the issued share capital of the Company, on the ordinary resolution to approve the Second Deed of Amendment and the transactions completed thereunder, including the Specific Mandate, at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Second Deed of Amendment and shall be required to abstain from voting at the SGM in respect of the resolution to approve the Second Deed of Amendment and the transactions completed thereunder, including the Specific Mandate.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the special resolution and the ordinary resolution set out in the notice of the SGM will be voted by poll.

Treasury shares, if any, shall have no voting rights at the general meeting(s) of the Company. For the avoidance of doubt, solely from the perspective of the Listing Rules, the Company shall procure, upon depositing any treasury shares in CCASS, the abstention from voting at any of its general meeting(s) in relation to those shares.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 5 November 2026 to Tuesday, 10 November 2026 both days inclusive, in order to determine the entitlement to attend the SGM. The record date for attendance and voting at the SGM is Tuesday, 10 November 2026. In order to qualify for attending and voting at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 4 November 2026.

## **RECOMMENDATION**

The Board (including the members of the Independent Board Committee after having considered the advice of the Independent Financial Adviser) consider that the Second Deed of Amendment and the transactions completed thereunder, including the Specific Mandate are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution relating to the Second Deed of Amendment and the transactions completed thereunder to be proposed at the SGM.

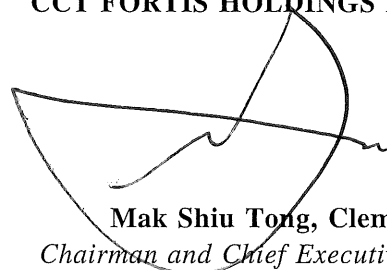
## **FURTHER INFORMATION**

Your attention is drawn to (i) the letter from the Independent Board Committee which contains the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Second Deed of Amendment and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Second Deed of Amendment and the transactions contemplated thereunder; and (iii) the additional information set out in the appendix to this circular and the notice of the SGM.

**Shareholders and potential investors of the Company should note that the Amendments are subject to the fulfilment of the conditions precedent under the Second Deed of Amendment. Therefore, the Second Deed of Amendment may or may not proceed.**

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in doubt, they should consult their professional advisers.

Yours faithfully,  
By order of the Board  
**CCT FORTIS HOLDINGS LIMITED**

A handwritten signature in black ink, appearing to read 'Mak Shiu Tong', is written over a large, stylized, curved line that resembles a checkmark or a large 'C'.

**Mak Shiu Tong, Clement**  
*Chairman and Chief Executive Officer*