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SMART CITY DEVELOPMENT HOLDINGS LIMITED

智城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8268)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Chief Securities Limited

The Board is pleased to announce that on 23 February 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to appoint the Placing Agent, and the Placing Agent has conditionally agreed to act as placing agent of the Company for the purpose of procuring, on a best effort basis, the Placees to subscribe for a maximum of 33,330,000 Placing Shares at the Placing Price of HK\$0.30 per Placing Share.

The Placing Shares will be allotted and issued pursuant to the General Mandate and will be allotted to not less than six Placees, who and whose ultimate beneficial owners are Independent Third Parties. Application will be made by the Company to the Listing Committee for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

On the assumption that all Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$9,999,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other costs, expenses and fees incurred in the Placing) are estimated to be approximately HK\$9.5million. The maximum number of 33,330,000 Placing Shares to be placed under the Placing Agreement represents approximately (i) 11.57% of the issued share capital of the Company as at the date of this announcement; and (ii) 10.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Completion of the Placing is subject to the fulfillment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE PLACING

The Board is pleased to announce that on 23 February 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to appoint the Placing Agent, and the Placing Agent has conditionally agreed to act as placing agent of the Company for the purpose of procuring, on a best effort basis, the Placees to subscribe for a maximum of 33,330,000 Placing Shares at the Placing Price of HK\$0.30 per Placing Share.

The principal terms of the Placing Agreement are summarised below:

THE PLACING AGREEMENT

Date

23 February 2026 (after trading hours)

Parties

Issuer : the Company

Placing Agent : Chief Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placing Shares

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent, and the Placing Agent has conditionally agreed, to procure, on a best effort basis, for not less than six Placees to subscribe for up to 33,330,000 Placing Shares at the Placing Price of HK\$0.30 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 33,330,000 Placing Shares represents approximately (i) 11.57% of the issued share capital of the Company as at the date of this announcement; and (ii) 10.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$4,166,250.

Placees

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$0.30 per Placing Share represents:

- (i) discount of approximately 7.69% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 3.23% to the average closing prices of HK\$0.31 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares, the recent trading performance of the Shares and the nominal value of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is determined on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares will, on allotment and issue, be free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares. The Placing Shares, when issued and fully paid, will rank *pari passu* in all aspects among themselves and with the Shares in issue on the date of the allotment and issue of the Placing Shares.

Placing Commission

The Placing Agent will receive a placing commission of 4.0% of the aggregate Placing Price of Placing Shares successfully placed by the Placing Agent or on behalf of the Company in accordance with the terms of the Placing Agreement, which was determined after arm's length negotiation between the Company and the Placing Agent and with reference to the commission fees for similar transactions, the size of the Placing and the price performance of the Shares. The Directors consider that the placing commission payable under the Placing is fair and reasonable.

Conditions of the Placing

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the Board having approved the Placing and the transactions contemplated under the Placing Agreement;
- (ii) the Placing Agent having successfully procured Placee(s) ready, willing and able to subscribe for, and to accept the allotment of, the Placing Shares or any portfolio thereof during the Placing period;
- (iii) the Placing Agent having compiled and delivered to the Stock Exchange a comprehensive list showing the name, address (or registered address if a corporation), country of incorporation (if a corporation) and other requisite information and details of the placees and the number of Placing Shares to be subscribed by each placee (the "**Placee List**");

- (iv) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Completion Date;
- (v) the Shares remaining listed on GEM of the Stock Exchange, and that the listing status of the Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Completion Date; and
- (vi) (if required) the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation from any third party to which the Company has entered into any agreement or arrangement.

In the event that any of the above conditions is not fulfilled on or before 16 March 2026 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place within ten Business Days after the fulfillment of the condition set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing).

Termination and force majeure

If, at any time up to 5:00 p.m. on the Business Day immediately prior to the Completion Date, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;

- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (d) any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement by the Company comes to the knowledge of the Placing Agent which in the reasonable opinion of the Placing Agent would or would likely have a material adverse effect or would or would likely be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect and the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission under the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the parties shall forthwith cease and determine, and no party shall, save as provided in the Placing Agreement, have any claim against the other party for compensation, costs, damages or otherwise.

The Directors are not aware of the occurrence of any of the aforesaid events or circumstances as at the date of this announcement.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

GENERAL MANDATE

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders at the AGM. Under the General Mandate, the Directors are authorised to allot, issue or deal with up to 57,600,000 new Shares, being 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the Placing Shares will be allotted and issued under the General Mandate and shall not be subject to any further approval by the Shareholders.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Directors are of the view that the Placing represents a good opportunity to raise additional capital for the Company while broadening the Shareholder base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the Placing Agreement is fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

On the assumption that all Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$9,999,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other costs, expenses and fees incurred in the Placing) are estimated to be approximately HK\$9.5 million. The Placing Price per Placing Share will be approximately HK\$0.30.

The Company intends to apply all the net proceeds from the Placing as follows, all of which are expected to be utilised by 31 December 2026:

- (i) approximately HK\$3.0 million, equivalent to approximately 30.3% of the net proceeds from the Placing for repayment of outstanding loan of the Group;
- (ii) approximately HK\$3.0 million, equivalent to approximately 30.3% of the net proceeds from the Placing for expansion of the Group's money lending business;
- (iii) approximately HK\$2.0 million, equivalent to approximately 24.2% of the net proceeds from the Placing for expansion of the Group's investment in securities business; and
- (iv) approximately HK\$1.5 million, equivalent to approximately 15.2% of the net proceeds from the Placing for replenishing the general working capital of the Group which shall be applied on, including staff cost, professional fees, and other operating expenses of the Group.

As at 31 January 2026, the Group has outstanding loans of approximately HK\$9.0 million. The Board foresees that the Hong Kong stock market has shown signs of stabilisation and improvement, with improved market sentiment and liquidity compared to prior periods. The Board also foresees a potential growth in its money lending business, which recorded an increase of approximately 17% in its revenue contribution for the year ended 31 March 2025, and requires cash to prepare for such growth in its money lending business. Furthermore, the Group also sees opportunities in stocking up listed shares at low end trading price for its securities investment segment.

In view of the current market conditions, the Company considers that the Placing represents a good opportunity to raise fund for working capital by equity financing to strengthen the Group's financial position and to raise additional funding for possible business opportunities of the Group. The Board is of the view that the Placing will enlarge Shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates (by reference to the information on shareholdings available to the Company as at the date of this announcement) the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon Completion of the Placing, on the assumption that (a) the Placing Shares are fully placed under the Placing; (b) there will be no other change to the share capital of the Company between the date of this announcement and the Completion; and (c) the Placees do not and will not hold any Shares other than the Placing Shares.

Name of Shareholders	As at the date of this announcement		Immediately after Completion of the Placing ⁽¹⁾	
	<i>No. of shares</i>	<i>Approximate % of number of Shares in issue</i>	<i>No. of shares</i>	<i>Approximate % of number of Shares in issue</i>
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP (“ Masan Fund ”) ⁽²⁾	39,715,200	13.79	39,715,200	12.36
Like Capital Limited ⁽³⁾	21,157,000	7.35	21,157,000	6.58
Honest Smart Investment Limited ⁽⁴⁾	17,828,800	6.19	17,828,800	5.55
Ngan Chun Wing ⁽⁵⁾	15,744,000	5.46	15,744,000	4.90
Placees	–	–	33,330,000	10.37
Public Shareholders	<u>193,555,000</u>	<u>69.24</u>	<u>193,555,000</u>	<u>60.24</u>
Total	<u><u>288,000,000</u></u>	<u><u>100.00</u></u>	<u><u>321,330,000</u></u>	<u><u>100.00</u></u>

Notes:

- (1) Assuming no change in total issued share capital of the Company other than allotment and issue of all Placing Shares.
- (2) The 39,715,200 Shares are held by Masan Fund. Masan Fund is managed by Masan Capital Limited in its capacity as an investment manager, which in turn is wholly-owned by Top Lion International Limited, a company incorporated in the BVI (“**Top Lion**”). Pursuant to the Division 7 and 8 of Part XV of the SFO, Top Lion is deemed to have an interest in all the Shares in which Masan Fund has, or deemed to have an interest.

- (3) The 21,157,000 Shares are held by Like Capital Limited, a company incorporated in Hong Kong, which is wholly-owned by Ethnocentric Investment Limited, which in turn is wholly-owned by Capital VC Limited (stock code: 2324), a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange. Pursuant to the Division 7 and 8 of Part XV of the SFO, Ethnocentric Investment Limited and Capital VC Limited are deemed to have an interest in all Shares in which Like Capital Limited has, or is deemed to have an interest.
- (4) The 17,828,800 Shares are held by Honest Smart Investment Limited, a company incorporated in Hong Kong, which is wholly-owned by Ever Wealth Capital Holdings Limited, which in turn is wholly-owned by KOALA Financial Group Limited, a company incorporated in the Cayman Islands. Pursuant to the Division 7 and 8 of Part XV of the SFO, Ever Wealth Capital Holdings Limited and KOALA Financial Group Limited are deemed to have an interest in all Shares in which Honest Smart Investment Limited has, or is deemed to have an interest.
- (5) Ngan Chun Wing is a director of a subsidiary of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the past twelve months immediately preceding the date of this announcement.

GENERAL

Completion of the Placing is subject to the fulfillment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follow:

“AGM”	the annual general meeting of the Company held on 29 August 2025
“Board”	the board of Directors of the Company
“Business Day”	a day (excluding a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business

“Company”	Smart City Development Holdings Limited (智城發展控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8268)
“Completion”	completion of the Placing under the Placing Agreement
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 57,600,000 new Shares, being 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a person or persons, or entity or entities who/which is/are not a connected person(s) of the Company
“Listing Committee”	the listing committee of the Stock Exchange
“Placee(s)”	any individual, corporate, institutional investor and other investor whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement

“Placing Agent”	Chief Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 23 February 2026 and entered into by the Company with the Placing Agent in relation to the Placing (as may be amended or varied from time to time by an agreement in writing duly executed by the parties to the Placing Agreement)
“Placing Price”	HK\$0.30 per Placing Share
“Placing Shares”	33,330,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	the ordinary share(s) of HK\$0.125 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“trading day”	a day on which securities are traded or dealt with on the Stock Exchange
“%”	per cent

By Order of the Board
Smart City Development Holdings Limited
Hung Kenneth
Executive Director

Hong Kong, 23 February 2026

As at the date of this announcement, the Board comprises Mr. Hung Kenneth and Ms. Wong Tsz Ki as executive Directors; Mr. Wong Yuk Lun Alan, Mr. Lam Wai Hung and Ms. Au Shui Ming Anna as independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for a minimum period of seven days from the date of its publication and on the Company’s website at www.smartcity-d.com.