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Moon Inc.
恒月控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1723)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
(1) ISSUANCE OF CONVERTIBLE NOTES UNDER THE
GENERAL MANDATE;
AND
(2) PAST NON-COMPLIANCE WITH LISTING RULES**

References are made to (a) the announcement of the Company dated 23 April 2025 (the “**Subscription Announcement**”) in respect of, among others, the proposed issuance of convertible notes in an aggregate principal amount of HK\$52,377,600 under general mandate (the “**Convertible Notes**”); (b) the supplemental announcement of the Company dated 8 October 2025; and (c) the completion announcement of the Company dated 22 October 2025, each in relation to the Convertible Notes (collectively, “the **Announcements**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BACKGROUND

On 23 April 2025, the Company entered into the CN Subscription Agreements with the Subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to issue to the Subscribers the Convertible Notes in an aggregate principal amount of HK\$52,377,600.

The Convertible Notes in the aggregate principal amount of HK\$52,377,600 were issued on 22 October 2025 in accordance with the terms and conditions of the CN Subscription Agreements.

As of the date of this announcement, the total outstanding principal amount of the Convertible Notes is HK\$52,377,600.

SUPPLEMENTAL INFORMATION REGARDING THE TERMS OF THE CONVERTIBLE NOTES

The Company wishes to provide supplementary information regarding the terms of the Convertible Notes as follows.

According to the terms of the Convertible Notes, for so long as any Convertible Notes remain outstanding, the Company shall not, except with the prior consent of the holders of the Convertible Notes, issue any new Shares at an issue price lower than the Conversion Price (i.e. HK\$5 per Conversion Share) (the “**Limitation**”).

When determining the terms of the Convertible Notes (including the Limitation and the corresponding HK\$5 Conversion Price threshold) at the relevant time, the Company considered that the terms were fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account the following factors:

- (i) the Share price was HK\$0.365 on 2 January 2025, surged to approximately HK\$6.60 on 24 February 2025, then remained largely within a range close to and/or above HK\$5 thereafter, and subsequently closed at HK\$5 on 23 April 2025 (the date of the CN Subscription Agreements);
- (ii) the prevailing average closing prices of the Shares, including (a) approximately HK\$4.09 per Share for the 10 consecutive trading days up to and including 23 April 2025; (b) approximately HK\$4.89 per Share for the 30 consecutive trading days up to and including 23 April 2025; and (c) approximately HK\$4.11 per Share for the 60 consecutive trading days up to and including 23 April 2025;
- (iii) the prevailing Share prices prior to entering into the CN Subscription Agreements had demonstrated strong resilience and a general upward trend; and
- (iv) the Convertible Notes were issued on commercially attractive terms, being entirely non-interest bearing. The Limitation represented a balanced commercial trade-off negotiated at arm’s length, allowing the Company to enjoy interest-free capital in exchange for providing reasonable commercial protection to the Subscribers.

Accordingly, the Company did not consider the Limitation to be a material restriction on the Company’s fundraising ability at that time and found it fair and reasonable and in the interest of the Company, given that the HK\$5 threshold was at or near the prevailing market price, the Convertible Notes provided interest-free capital, and the restriction was not anticipated to have any material impact on the Company’s operational flexibility or overall financial position. It was only as a result of subsequent market fluctuations, which were unforeseeable at the time of execution, when the share price fell and generally remained below the HK\$5 threshold (as further detailed below), that the Limitation began to impose a practical constraint on the Company’s ability to conduct equity

fundraising. The closing price of the Shares has been showing a general downward trend, dropping from HK\$5 on 23 April 2025, to HK\$3.05 on 22 October 2025, then further to HK\$0.440 on 9 September 2026.

Notwithstanding that the closing price of the Shares had declined to HK\$3.05 on 22 October 2025 (being the date of issue of the Convertible Notes), the Board decided to proceed with completion of the Convertible Note Subscriptions given that, at the relevant time (i) the Board considered the Share price drop from HK\$5.00 to HK\$3.05 to be primarily due to temporary market fluctuations; (ii) the Board considered the Conversion Price of HK\$5.00, which represented a significant premium over the then-prevailing Share price of HK\$3.05, together with non-interest bearing terms, to be favourable to the Group, reflecting the Convertible Noteholders' willingness to accept a conversion threshold well above the prevailing market price, while allowing the Company to secure a considerable amount of interest-free capital at the Conversion Price significantly above market price was advantageous to the Company and minimized immediate equity dilution; and (iii) it was unforeseeable that the Share price would subsequently experience a prolonged downturn, reaching HK\$0.440 on 9 September 2026, which eventually caused the Limitation to evolve into a practical constraint on equity fundraising.

In light of the subsequent, unexpected circumstances as discussed above, the Board has reassessed the practical impact of the Limitation, and acknowledges that given the significant and prolonged drop in the Share price, the Limitation is no longer fair or reasonable under the current circumstances, as it has evolved into a practical constraint on the Company's ability to conduct equity fundraising and react flexibly to its capital needs. In order to preserve optimal financial agility of the Group and protect the long-term interests of the Company and the Shareholders as a whole, the Company confirms that it will not adopt or agree to the Limitation, or any similar restrictive pricing thresholds, in any future equity fundraising activities.

Nonetheless, the Company confirms that since the issuance of the Convertible Notes on 22 October 2025, no new Shares have been issued below HK\$5.00 per Share, no breach of the Limitation has occurred, and neither the Company nor its Shareholders have suffered any loss as a result of the Limitation.

Having considered, among others, the importance of restoring financial flexibility and to better position the Group to seize and conduct future equity fundraising activities in a timely manner to support the continuous development of the Group's businesses when suitable opportunities arise prior to the maturity of the Convertible Notes without being constrained by the Limitation, the Company has engaged in discussions and negotiations with the Convertible Noteholders. Based on these discussions, (i) none of the Convertible Noteholders indicated a willingness to consent to the Company issuing any new Shares at an issue price lower than the Conversion Price; and (ii) the Convertible Noteholders agreed in principle to early repayment in full via proceeds from the proposed rights issue as announced by the Company on 10 September 2026, thereby definitively resolving the Limitation.

The Limitation was inadvertently and unfortunately omitted from disclosure in the Announcements (the "**Omission**"). Save for the Omission, all other terms of the Convertible Notes remain unchanged.

PAST NON-COMPLIANCE WITH LISTING RULES

According to Rule 13.28(15) of the Listing Rules, the Announcements shall contain any other material information with regard to the issue, including but not limited to any restrictions on the ability of the Company to issue further securities.

According to Rules 2.03(2), 2.03(3), 2.03(4) and 2.03(5) of the Listing Rules, it is respectively required that (i) the issue and marketing of securities is conducted in a fair and orderly manner and that potential investors are given sufficient information to enable them to make a properly informed assessment of an issuer; (ii) investors and the public are kept fully informed by listed issuers; (iii) all holders of listed securities are treated fairly and equally; and (iv) directors of a listed issuer act in the interests of its shareholders as a whole – particularly where the public represents only a minority of the shareholders.

According to Rule 2.13(2) of the Listing Rules, the information contained in the Announcements must be accurate and complete in all material respects and not be misleading or deceptive.

Pursuant to the aforesaid requirements, the entering into of the Limitation and the details thereof should have been disclosed in the Announcements. Due to an inadvertent oversight of the relevant requirements of the Listing Rules, the Company acknowledges that the entering into the terms of the Limitation as well as the Omission constituted non-compliance with the aforesaid Listing Rules (the “**Non-compliance**”).

Upon becoming aware of the Non-compliance, the Board took prompt actions to rectify the matter and publishes this announcement to disclose the Limitation. The Company regrets the inadvertent Non-compliance and wishes to assure the Shareholders that it remains committed to full compliance with the Listing Rules.

REMEDIAL ACTIONS

In order to prevent the occurrence of similar non-compliance incidents in the future and to ensure ongoing compliance with the Listing Rules, the Company has implemented and/or will implement the following remedial measures:

- (a) in October 2026, the Company has provided training and circulated written materials to the Directors and the senior management of the Group to reinforce their understanding of and to emphasise the importance of compliance with the Listing Rules, particularly the requirements under Rules 2.03(2) to (5), 2.13(2) and 13.28(15) of the Listing Rules. Such training and written materials were prepared by a reputable international law firm, Baker & McKenzie;
- (b) the Company will enhance regular training and regularly circulate written materials on regulatory compliance matters for responsible staff, including newly appointed and existing Directors and senior management of the Group, to ensure that they comprehend the requirements of the Listing Rules, particularly those relevant to the Non-compliance;

- (c) since October 2026, the Group has issued monthly internal compliance reminders to relevant management of the Group to reinforce their awareness of the disclosure requirements under the Listing Rules, including but not limited to Chapter 13;
- (d) the Company has engaged a financial adviser licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) on a retainer basis to provide ongoing professional advice on compliance matters relating to regulations and the Listing Rules;
- (e) the Company will maintain closer cooperation with its professional advisers, including financial advisers and/or legal advisers, in relation to compliance with the Listing Rules. Where appropriate, the Company will consult the Stock Exchange in advance regarding the Listing Rules implications of proposed corporate actions; and
- (f) the Board will conduct periodic reviews of the adequacy and effectiveness of the remedial measures set out above and the Company's internal controls and procedures relating to compliance with the Listing Rules, and will implement further enhancements as and when necessary.

By order of the Board
Moon Inc.
Mr. Fang Jason Kin Hoi
Chairman and Executive Director

Hong Kong, 26 October 2026

As at the date of this announcement, the Board comprises Mr. David Forrest Bailey, Mr. John Edwin Riggins, Mr. Fang Jason Kin Hoi and Ms. Wong Fung Yee Mary as executive Directors; Mr. Sit Hon as non-executive Director; and Ms. Yen Jung-Hui, Mr. Wong Yun Pun and Mr. Shiu Ka Fai, BBS, JP as independent non-executive Directors.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.