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

Cocoon Holdings Limited
中國天弓控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 428)

PROPOSED REFRESHMENT OF GENERAL MANDATE

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

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM. Pursuant to Rule 13.36(4) of the Listing Rules, the grant of the New General Mandate is subject to the Independent Shareholders' approval by way of an ordinary resolution at the SGM.

The SGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Leung Yin Ting, Dr. Wong Sze Lok and Ms. Lin Hsiu Mei, will be established to advise the Independent Shareholders on the grant of the New General Mandate. Draco Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

A circular containing, among others, information regarding the grant of the New General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate, together with a notice of the SGM will be dispatched to the Shareholders as soon as practicable.

PROPOSED REFRESHMENT OF GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM.

EXISTING GENERAL MANDATE

At the 2025 AGM, the Shareholders approved, among other things, the Existing General Mandate which authorised the Directors to allot, issue and deal with not more than 21,424,755 new Shares, being 20% of the issued share capital of the Company of 107,123,776 Shares as at the date of the 2025 AGM.

References are made to the announcements of the Company dated 22 July 2025 and 7 August 2025 in relation to the Placing of an aggregate of 21,424,755 new Shares under the Existing General Mandate (the "**Placing**"). Following completion of the Placing on 7 August 2025, the Existing General Mandate has been fully utilised by the Company.

PROPOSED GRANT OF NEW GENERAL MANDATE

As the Existing General Mandate has been fully utilised, the Board proposes to convene the SGM at which an ordinary resolution will be proposed to the Independent Shareholders that:

(i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the Company's issued share capital as at the date of passing the relevant resolution at the SGM; and

(ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2025 AGM.

The Company has not refreshed the Existing General Mandate since the 2025 AGM. The New General Mandate will last until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting is required by any applicable laws or the Company's by-laws to be held; and

(iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

As at the date of this announcement, the Company has 128,548,531 Shares in issue. On the basis that there are no changes in the issued share capital of the Company from the date of this announcement and up to the date of the SGM, the Directors will be authorised to allot and issue up to 25,709,706 new Shares under the New General Mandate, representing 20% of the issued share capital of the Company as at the date of the SGM.

REASONS FOR THE GRANT OF THE NEW GENERAL MANDATE

The Company is an investment company listed on the main board of the Stock Exchange under Chapter 21 of the Listing Rules. The principal activity of the Company is investment holding and the Group is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments with potential for earning growth and capital appreciation. It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the Shareholders' value.

Recently, the global financial markets, in particular the Hong Kong and the United States equity markets, have experienced notable corrections and increased volatility amid prevailing macroeconomic uncertainties. Consequently, major stock indices, including the Hang Seng Index and key US market indices, have recorded declines from their recent peaks. The Board considers that such market adjustments have brought the valuations of various fundamentally sound listed companies down to relatively attractive and reasonable levels. This presents a favorable window for the Group, as an investment company, to identify and acquire undervalued securities with strong potential for long-term capital appreciation and dividend yield.

In a volatile market environment, attractive investment opportunities are often fleeting. To capitalise on these relatively low valuations, the Group must possess the financial agility to act swiftly. The New General Mandate will provide the Company with the necessary flexibility to raise capital efficiently as and when such market opportunities arise.

Nevertheless, as disclosed in the Company's announcement dated 30 March 2026 in respect of the Company's annual results for the year ended 31 December 2025, as at 31 December 2025, the Group only had available funds of approximately HK$4,452,000, which were mainly placed in banks and licensed securities firms. Such limited funds are largely reserved for the Group's general working capital to cover ongoing administrative and operating expenses.

In light of the above, and given that the Existing General Mandate has been fully utilised as at the date of this announcement, the Directors consider that the Group has limited immediately available funds for new investments. Therefore, there is a practical need for the Group to maintain financing flexibility. The Directors believe that the grant of the New General Mandate will significantly enhance the Group's financing capacity and financial flexibility, enabling the Company to strategically deploy capital when undervalued investment targets emerge, which is in the best interests of the Company and the Shareholders as a whole.

The Board considers equity or equity-related financing to be an important avenue of funding resource to the Group since it can reduce the reliance on debt financing, which will increase the debt gearing ratio of and create additional interest paying obligations on the Group. The Board will also consider other financing alternatives including debt financing, rights issue, open offer or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into consideration of the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

As at the date of this announcement, the Company has not entered into any agreement, arrangement, understanding or undertaking in respect of any proposed issue of new Shares under the New General Mandate.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(4) of the Listing Rules, the proposed refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of an ordinary resolution at the SGM. Any controlling shareholders and their respective associates, or where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to approve the proposed refreshment of the Existing General Mandate.

As at the date of this announcement, to the best knowledge, belief and information of the Directors having made all reasonable enquiries, the Company has no controlling Shareholder. Accordingly, Mr. Chau Wai Hing and Mr. Wu Ming Gai, being executive Directors, together with their associates, are required to abstain from voting in favour of the ordinary resolution regarding the grant of the New General Mandate at the SGM.

SGM

The SGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Leung Yin Ting, Dr. Wong Sze Lok and Ms. Lin Hsiu Mei, will be established to advise the Independent Shareholders on the grant of the New General Mandate.

Draco Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

A circular containing, among others, information regarding the grant of the New General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate, together with a notice of the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

"2025 AGM"	the annual general meeting of the Company held on 27 June 2025
"associates"	has the meaning ascribed to this term under the Listing Rules
"Board"	board of Directors
"Company"	Cocoon Holdings Limited, a company incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 428)
"controlling shareholder(s)"	has the meaning ascribed to this term under the Listing Rules
"Director(s)"	director(s) of the Company
"Existing General Mandate"	the general mandate granted to the Directors by the resolution of the Shareholders passed at the 2025 AGM to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the 2025 AGM

"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the proposed grant of the New General Mandate
"Independent Shareholders"	Shareholders other than any controlling Shareholders and their associates or, where there are no controlling Shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"New General Mandate"	the new general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution
"PRC"	the People's Republic of China
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the New General Mandate by the Independent Shareholders
"Share(s)"	the ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
Cocoon Holdings Limited
Chau Wai Hing
Chairman

Hong Kong, 14 April 2026

As at the date hereof, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; and three independent non-executive Directors, namely Ms. Leung Yin Ting, Dr. Wong Sze Lok and Ms. Lin Hsiu Mei.