

RIGHT ENTITLEMENT LETTER FOR THE RIGHTS ISSUE OF HKG LIMITED
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

THIS LETTER CONTAINS 4 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.



HKG LIMITED

Registered Office: C Wing, Madhuban Building, Opp. Dev Nagar, New Sai Baba Nagar, Kandivali (W), Mumbai City,
Maharashtra – 400 067, India, **Tel:** +91 84520 09432

Contact Person: Mr. Hardik Shah, Executive Director,

E-mail: info@hkglimited.com; **Website:** www.hkglimited.com;

Corporate Identification Number: L51909MH2010PLC340313.

DP ID- Client ID/ Folio Number:

Application Number:

Sole/ First Holder Name:

Add 1:

Add 2:

Add 3:

Add 4:

Pin:

Joint Holder 1:

Joint Holder 2:

Joint Holder 3:

Date: November 09, 2021

Dear Shareholder,

Sub: ISSUE OF UPTO 1,75,00,000* EQUITY SHARES OF FACE VALUE ₹ 2 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 8.00 PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 1400 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 01 (ONE) RIGHTS EQUITY SHARE(S) FOR 1 (ONE) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON MONDAY, 15 NOVEMBER, 2021 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 04 (FOUR) TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 108 OF THE LETTER OF OFFER. THE CURRENT TRADEABLE LOT SIZE OF OUR COMPANY IS 2,500 (TWO THOUSAND FIVE HUNDRED) EQUITY SHARES. THE RIGHTS ENTITLEMENT WILL BE AS PER THE LOT SIZE SINCE THE COMPANY IS LISTED ON BSE SME.

**Assuming full subscription.*

Ref: Letter of Offer and Abridged Letter of Offer dated November 09, 2021 issued by the Company to the Eligible Equity Shareholders pursuant to the Rights Issue.

We are happy to inform that our Company is proposing a Rights Issue of Equity Shares as mentioned in the captioned subject in the ratio of 1 (one) rights equity share(s) for every 1 (one) fully paid-up equity share(s) held by the existing equity shareholders on the record date, that is on November 15, 2021. The current lot size of our company is 2,500 (Two Thousand Five Hundred) Equity Shares. The Rights Entitlement will be as per the lot size since the company is listed on BSE SME.

You are requested to kindly note that the Issue price is ₹ 8.00/-. The full amount of Issue Price ₹8.00/- is payable on Application.

With reference to the above, please find below the details of the Equity Shares held by you as on the Record Date, i.e., Monday, November 15, 2021 along with your Rights Entitlements calculated on the basis of the above-mentioned ratio for your kind information:

| NUMBER OF EQUITY SHARES HELD BY YOU ON RECORD DATE BEING | NUMBER OF RIGHTS ENTITLEMENTS |
|--|-------------------------------|
| | |

You are requested to take note of the Issue Schedule as provided hereunder:

| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON |
|----------------------------|---------------------------------------|--------------------------|
| Thursday, 25 November 2021 | Friday, 03 December, 2021 | Friday, 10 December 2021 |

***Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.**

Kindly note that pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Rights Entitlements, as mentioned above, shall be credited only in dematerialized form in your demat account before the Issue Opening Date with ISIN – INE904R20019.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated 01 October 2021 (“**SEBI Rights Issue Circulars**”), the Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date are required to furnish the details of their demat account along with copies of self-attested PAN and details of address proof by way of uploading on Registrar’s website the records confirming the legal and beneficial ownership of their respective Equity Shares at least 2 (Two) Working Days prior to the Issue Closing Date i.e. Friday, 10 December 2021, after which they can apply through ASBA facility only. For further details, please refer to the chapter titled “*Terms of the Issue*” at page 108 of the Letter of Offer.

You can obtain the details of your respective Rights Entitlements from the website of the Registrar to the Issue as well at: www.bigshareonline.com, by entering your DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). You may also communicate with the Registrar with the helpline number (+91 22 6263 8200) and through their email address (rightsissue@bigshareonline.com).

Renunciation of Rights Entitlements

The Issue includes a right exercisable by you to renounce the Rights Entitlements credited in your demat account either in full or in part in favor of any other person or persons in India only. The renouncement of Rights Entitlements credited in your demat account can be made either a) by using the secondary market platform of the Stock Exchanges through a registered stock broker (“**On Market Renunciation**”) or b) through off market transfer through a depository participant (“**Off Market Renunciation**”) during the Renunciation Period. For more details, see “**Procedure for Renunciation of Rights Entitlements**” on page 122 of the Letter of Offer.

Kindly note that, in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than 2 (Two) working days prior to issue closing date, such that credit of REs in their demat account takes place at least 1 (One) day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Fractional Entitlement:

As the current lot size comprises of 2500 Shares in, the Rights Entitlements will be credited to the shareholders in multiples of 2500 Shares and the participation by shareholders in the Rights Issue will also be in multiples of 2500 Shares. Entitlements that are not in the multiple of 2500 Shares will be treated as fractional entitlements. Such fractional entitlements will not be credited to the Shareholders’ accounts and the option of trading of fractional entitlements will also not be allowed by the Stock Exchanges. Accordingly, off-line transfers will not be permitted.

For ease of reference and understanding, considering that the ratio of one Lot for every One Lot held by the Eligible Shareholders will be offered on a rights basis, the detailed description of the fractional entitlement and the basis of allotment are provided below:

The Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of one Lot for every one Lot held as on the Record Date. Fractional entitlements of the Rights Entitlement will be credited to a suspense account. Accordingly, if the holding of any of the Eligible Shareholders is less than one Lot or is not in the multiple of one Lot, the fractional entitlements of such Eligible Shareholders shall be ignored.

However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional lot if they apply for additional Lot in the Issue over and above their Rights Entitlements, if any, subject to availability of lots in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than One Lot shall have ‘zero’ entitlement for the lots. Such Eligible Shareholders are entitled to apply for additional lots in the Issue and will be given preference in the Allotment of one Lot, if such Eligible

Shareholders apply for additional lots in the Issue, subject to availability of lots in this Issue post allocation. Allotment to those Eligible Shareholders holding fractional entitlement will be given preference basis their fractional holding, provided there is an undersubscribed portion.

For off-market transfers, investors are advised to transfer Shares in multiple of 2500 Shares only.

Application Process for Rights Issue

If you are desiring to make an Application in this Issue, kindly note that you are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., B-WAP (only for Original Shareholders). Original Shareholders shall mean the Resident Shareholders who are holding the Equity Shares of our Company as on the Record Date i.e. Friday, 15 November, 2021 (hereinafter referred to as the “**Original Shareholders**”). However, the Shareholders who receive the renounced Equity Shares offered in this Issue shall not be considered as Original Shareholders and shall not be eligible to apply through B-WAP. Further, if you are holding Equity Shares in physical form as on the Record Date, you shall also not be able to subscribe to the Issue through B-WAP and therefore, will have to apply through ASBA facility only. For details, see “*Procedure for Application through the ASBA Process*”, “*Procedure for Application through B-WAP*” and “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 110, 111 and 114, respectively.

ASBA facility – Investors can submit the Application Form in physical mode to the designated branch of the Self-Certified Syndicate Banks (“SCSBs”), or make online / electronic Application through the website of the SCSBs (if the facility is made available by such SCSB). SCSBs are self-certified syndicate banks registered with SEBI, which offer the facility of ASBA. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process and details on designated branches of SCSBs collecting the Application Form, please refer to - <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> .

B-WAP - In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform i.e. the B-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Original Resident Shareholder. B-WAP has been instituted for making Application in Rights Issue only for Original Resident Shareholders who are holding shares as on Record date i.e. Friday, 15 November, 2021. At B-WAP, Original resident shareholder can access and submit online Application Form in electronic mode and make online payment using their internet banking or UPI facility from their own bank account thereat. **Kindly note that the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through ASBA facility only.**

Please note that Applications made with payment using third party bank accounts are liable to be rejected. In case of internet banking, there is no restriction on maximum amount that can be paid, except limit set by your respective bank. However, in case of UPI facility, payment can be made only up to Rs. 2 lakhs.

If you are desirous of making an application in this Issue, you should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the B-WAP. For details, see “*Terms of the Issue- Procedure for Application through the ASBA Process*” and “*Terms of the Issue- Procedure for Application through B-WAP*” on page 110 and 111, respectively, of the Letter of Offer.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, you may choose to accept the offer to participate in this Issue by making plain paper Applications. The SCSBs shall accept such application forms only if all details required for making the application as per these regulations are specified in the plain paper application. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. If you make an application both in an application form as well as on a plain paper, both applications are liable to be rejected. For details, see “*Application on Plain Paper under ASBA process*” on page 113 of the Letter of Offer.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date are required to furnish the details of their demat account along with copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least 2 (Two) Working Days prior to the Issue Closing Date i.e. Friday, 10 December, 2021, after which they can apply through ASBA facility only. Kindly note that the Equity Shareholder holding Equity Shares in physical form cannot apply through the B-WAP facility. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 114 of the Letter of Offer.

In accordance with SEBI Rights Issue Circulars and MCA Circular No. 21/2020 dated May 11, 2020, we are sending herewith the Abridged Letter of Offer and Application Form through email and physical delivery by courier to you being the Eligible Equity Shareholders who has provided your Indian addresses to our Company. Please note that by accessing the Right Entitlement e-mail or any external websites referred to therein, or by accepting the physical delivery of the Issue material you are hereby deemed to represent that you are a resident of India. The contents of the Right Entitlement e-mail or the Issue materials sent through physical delivery to your Indian address and its enclosures should not be reproduced, transmitted or distributed to any other person.

Availability of Issue materials

You can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that you are eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- (i) our Company at www.hkglimited.com;
- (ii) the Registrar at www.bigshareonline.com;
- (iii) the Lead Manager at www.khambattasecurities.com;
- (iv) the Stock Exchange at www.bseindia.com; and
- (v) the Registrar's web-based application platform at www.bigshareonline.com ("B-WAP").

Other important links and helpline numbers:

You can visit following links for the below-mentioned purposes:

- (a) Frequently asked questions on the Application process and resolution of difficulties faced by the Investors: <https://www.bigshareonline.com>
- (b) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://www.bigshareonline.com>
- (c) Submission of self-attested PAN, client master sheet and demat account details by Non Resident Eligible Equity Shareholders: <https://www.bigshareonline.com>
- (d) Request Letter to be sent by the non-resident Eligible Equity Shareholders to the Registrar at their email id: rightsissue@bigshareonline.com for updating their Indian address. The Request Letter should be accompanied by their PAN card and Address proof. Kindly note that the non-resident Equity Shareholders who do not have an Indian address are not eligible to apply for this Issue.

Please feel free to call the Registrar to the Issue, Bigshare Services Private Limited., through Telephone No. +91 22 6263 8200 or send an email at rightsissue@bigshareonline.com for clarification, if any.

Thanking you,

Yours faithfully,

For **HKG LIMITED**

Sd/-

Meet Paresh Shah
Managing Director