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Ziyuanyuan Holdings Group Limited

紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 9 March 2026 (after trading hours), the Company entered into the Subscription Agreements with Subscribers, pursuant to which the Company has agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for an aggregate of 86,000,000 Subscription Shares, representing (i) 20.00% of the entire issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the entire issued share capital of the Company as enlarged by the issue of all the Subscription Shares.

The Subscription Price of HK$0.50 per Subscription Share represents (i) a discount of approximately 9.09% to the closing price of HK$0.55 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately19.35% to the average of the closing prices per Share of approximately HK$0.62 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Subscription Shares will be allotted and issued under the General Mandate. The allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

The gross proceeds from the Subscriptions will be approximately HK$43.0 million and the net proceeds will be approximately HK$42.5 million (after deduction of the expenses of the Subscriptions). The Directors intend to apply the net proceeds from the Subscriptions as working capital of the Group, of which approximately 20% will be used to cover the Group's ongoing administrative and operating expenses and approximately 80% will be used for the purchase of trading goods for the Group's medical equipment and consumables trading business.

Completion of the Subscriptions is subject to the fulfilment of the conditions precedent in the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 9 March 2026 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for an aggregate of 86,000,000 Subscription Shares at the Subscription Price, on the terms and subject to the conditions set out in the Subscription Agreements.

The Subscription Agreements

Set out below are the principal terms of the Subscription Agreements:

Date: 9 March 2026

Parties: (i) the Company as the issuer

(ii) the Subscribers

There are not less than six Subscribers in number subscribing for the Subscription Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers are individual professional investors. Based on the information provided to the Company, the Subscribers are Independent Third Parties.

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for 86,000,000 Subscription Shares in aggregate at the Subscription Price of HK$0.50 per Subscription Share.

Number of Subscription Shares

The Subscription Shares comprise of an aggregate of 86,000,000 new Shares. 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 Subscriptions, the Subscription Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares. The aggregate nominal value of the Subscription Shares will be HK$8,600,000.

Ranking of Subscription Shares

The Subscription Shares shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Subscription Price

The Subscription Price of HK$0.50 per Subscription Share represents:

(i) a discount of approximately 9.09% to the closing price of HK$0.55 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(ii) a discount of approximately 19.35% to the average of the closing prices per Share of approximately HK$0.62 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscriptions are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Subscriptions (including the Subscription Price) are in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscriptions

The Subscriptions are conditional upon:

(i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares, and such approval not having been withdrawn or revoked;

(ii) all necessary consents and approvals to be obtained on the part of each of the Subscribers and the Company in respect of the Subscribers having been obtained; and

(iii) the warranties provided by the Company remaining true and accurate and not misleading, and there is no matter or circumstance which is in breach of the warranties or the terms of the Subscription Agreements.

The Company shall use its best endeavours to procure the fulfilment of conditions (i), (ii) and (iii) above and the Subscribers shall use their best endeavours to procure the fulfilment of condition (ii) above. If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) on or before the Long Stop Date, the Subscription Agreements will be terminated and ceased to be effective.

The Subscription Agreements are not conditional upon each other.

Completion of the Subscriptions

Completion of the Subscriptions shall take place on a day falling within two (2) Business Days after the fulfilment of the conditions as set out in paragraph headed "Conditions of the Subscriptions" above are satisfied (or such other date as may be agreed between the Company and the Subscribers in writing).

Application for listing

The Company will make an application to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 86,000,000 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company, and the Group is principally engaged in provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipment and consumables business in the PRC.

The Directors believe that the Subscriptions can strengthen the capital base of the Group and enhance its financial flexibility to support the Group's business development, given that the trading of medical equipment and consumables business of the Group is capital intensive business. The Subscriptions are a good opportunity to strengthen the Group's financial position.

The Directors believe that the Subscriptions represent an opportunity to raise capital for the Group while broadening the Shareholder base and strengthening the capital base of the Company. Accordingly, the Directors are of the view that the Subscriptions are in the best interest of the Company and its Shareholders as a whole.

The gross proceeds from the Subscriptions will be HK$43.0 million and the net proceeds will be approximately HK$42.5 million (after deduction of the expenses of the Subscriptions). The Directors intend to apply the net proceeds from the Subscriptions as working capital of the Group, of which approximately 20% will be used to cover the Group's ongoing administrative and operating expenses and approximately 80% will be used for the purchase of trading goods for the Group's medical equipment and consumables trading business.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon Completion of the Subscriptions are set out below:

Name of Shareholder	**As at the date of this announcement**		**Immediately upon Completion**	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*
Substantial Shareholders				
Hero Global Limited ("**Hero Global**") *(Note 1)*	219,801,980	51.12	219,801,980	42.60
Icon Global Holding Limited ("**Icon Global**") *(Note 2)*	27,198,020	6.33	27,198,020	5.27
Public Shareholders				
The Subscribers	–	–	86,000,000	16.67
Other Shareholders	183,000,000	42.55	183,000,000	35.46
Total	430,000,000	100.00	516,000,000	100.00

Notes:

(1) The entire issued share capital of Hero Global is beneficially owned by Mr. Zhang Junshen ("**Mr. JS Zhang**"), being an executive Director. Mr. JS Zhang is deemed to be interested in 219,801,980 Shares held by Hero Global by virtue of the SFO.

(2) The entire issued share capital of Icon Global is beneficially owned by Mr. Zhang Junwei ("**Mr. JW Zhang**", together with Mr. JS Zhang, the "**Zhang Brothers**"), brother of Mr. JS Zhang. Mr. JW Zhang is deemed to be interested in 27,198,020 Shares held by Icon Global by virtue of the SFO.

(3) The Zhang Brothers are parties acting in concert, as such each of Mr. JS Zhang and Mr. JW Zhang are deemed to be interested in the 219,801,980 Shares and 27,198,020 Shares beneficially owned by Hero Global and Icon Global respectively by virtue of the SFO.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

The Company completed the subscription of convertible bonds with an aggregate principal amount of HK$52.0 million and HK$10.0 million on 2 April 2025 and 10 April 2025 respectively. Save as disclosed, the Company has not conducted any equity fund raising activities during the twelve months immediately preceding the date of this announcement.

Completion of the Subscriptions is subject to the fulfilment of the conditions precedent in the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"AGM"	the annual general meeting of the Company held on 6 June 2025
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"Company"	Ziyuanyuan Holdings Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8223)
"Director(s)"	the director(s) of the Company
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"General Mandate"	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 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 dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party(ies)"	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
"Last Trading Day"	9 March 2026, being the date of the Subscription Agreements
"Long Stop Date"	9 April 2026, or such later date as may be agreed between the Company and the Subscribers in writing
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	being the subscribers subscribing for the Subscription Shares under the Subscriptions
"Subscription"	the subscription of 86,000,000 Subscription Shares by the Subscribers pursuant to Subscription Agreement
"Subscription Agreements"	the subscription agreements dated 9 March 2026 and entered into between the Company and the Subscribers
"Subscription Price"	the subscription price of HK$0.50 per Subscription Share
"Subscription Share(s)"	an aggregate of 86,000,000 new Shares to be allotted and issued pursuant to the Subscription Agreements
"%"	per cent.

By Order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

Hong Kong, 9 March 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Junshen (Chairman and Chief Executive Officer) and Mr. Tian Zhiwei, the non-executive Directors are Mr. Lyu Di and Ms. Li Xinpei, the independent non-executive Directors are Mr. Chan Chi Fung Leo, Dr. Deng Bin and Mr. Hu Tao.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 "Latest Listed Company Information" page on the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.ziyygroup.com.