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XJ International Holdings Co., Ltd.

希教國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1765)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE TARGET SUBJECTS

Reference is made to the announcement of XJ International Holdings Co., Ltd. (the “**Company**”) dated 24 April 2025 in relation to the Disposal of the Target Subjects (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those used in the Announcement.

In addition to the information provided in the Announcement, the Board would like to provide the following clarification and additional information regarding the disclosure with respect to the Disposal and the Announcement.

CONSIDERATION AND BASIS OF CONSIDERATION

Pursuant to the Equity Transfer Agreement, the Vendor has conditionally agreed to transfer and the Purchaser has conditionally agreed to acquire the Target Equity Interests at the Transfer Consideration provisionally set at RMB1; and the Purchaser has conditionally agreed to make repayment of the Shareholder’s Debt to the Vendor and its related parties on behalf of the Target Subjects with the tentative payment amount of RMB226.5 million and the tentative payment amount of other debts of RMB10 million, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement.

To facilitate an expedited transaction and to recover part of the funds while safeguarding the operational continuity of the Target Company and its subsidiaries, the pricing of this transaction has been determined based on the Company’s historical investment costs in the Target Company and its subsidiaries.

The Transfer Consideration of RMB1 is derived from the Total Valuation after deducting the Shareholder's Debt and other debts. The Total Valuation represents the assessed value of the Target Subjects, amounting to RMB236.5 million. The Shareholder's Debt represents the debts owed by the Target Subjects to the Vendor and its affiliates, tentatively quantified at approximately RMB226.5 million, and other debts refer to all remaining liabilities of the Target Subjects, tentatively quantified at approximately RMB10.0 million.

While the Total Valuation remains fixed and non-adjustable, the amount of the Shareholder's Debt and other debts shall be adjusted based on the debts as of the Closing Date, thus the Transfer Consideration would also be adjusted accordingly. As of the date of this announcement, there has been no adjustment to the Shareholder's Debt and other debts. The Company has also conducted comprehensive disclosure of the financial situation of the Target Subjects to the Purchaser to minimize the likelihood of any adjustment.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The existing premises and financial conditions of the Target Company and its subsidiaries are inadequate to satisfy their business operations and requirements, necessitating additional capital investment. Having regard to the prevailing market conditions and the current situation of the Company, providing the substantial funding required for the Target Company's development would impose significant financial strain. The Directors consider that the Disposal represents a good opportunity to realise the Target Company, enhance the liquidity and generate additional working capital for the Company.

Given the above reasons, the Board (including the independent non-executive Directors) is of the view that the terms of the Equity Transfer Agreement are on normal commercial terms, which are fair and reasonable, and the Disposal is in line with the business strategy of the Group and in the interests of the Company and its Shareholders as a whole.

PAYMENT TERMS OF THE DISPOSAL

Apart from the payment terms as disclosed in the Announcement, the Company hereby supplement disclosure that, the payment terms for the Transfer Consideration and the Shareholder's Debt under the Equity Transfer Agreement have been structured to align with commercial best practices and the Company's financial needs, as detailed below:

- (i) Under the Equity Transfer Agreement, the Purchaser shall pay an aggregate amount of RMB200 million of the Transfer Consideration and the Shareholder's Debt to the Vendor by 31 December 2025, representing approximately 88.3% of the Transfer Consideration and the Shareholder's Debt. At that point, the Purchaser will have paid the majority of the Transfer Consideration and the Shareholder's Debt of

RMB226.5 million, leaving only the remaining balance of RMB26.5 million to be paid to the Vendor by 30 September 2027, representing approximately 11.7% of the Transfer Consideration and the Shareholder's Debt;

- (ii) Upon payment of RMB150 million and acquiring 80% equity interest in the Target Company, the Purchaser is required to grant the Company a pledge over the entire 80% equity interest as security which takes priority over other claims and maintain such pledge until full payment of all outstanding amount of the Transfer Consideration and the Shareholder's Debt by 30 September 2027; and
- (iii) Given that the Purchaser derives the majority of its income in September each year, the payment timeline is structured to accommodate the Purchaser's cash flow position, allowing the Purchaser to accumulate the necessary funds with sufficient flexibility and enhancing the ability to fulfil payment obligations in a timely manner.

The payment terms were arrived at after arm's length negotiations between the Vendor and the Purchaser, taking into account prevailing market practices and the current payment terms being the most favourable for the Company and its shareholders. As detailed above, the Purchaser will provide a pledge as part of the security arrangements of the Disposal to safeguard the Company's interests. After careful consideration, the Board believes that the payment arrangement is commercially fair and reasonable, the associated risks are appropriately mitigated, and the payment terms align with the best interests of the Company and its Shareholders.

CREDIT ASSESSMENT

The Company has performed a comprehensive credit risk assessment of both the Purchaser and the Purchaser's Guarantor before entering into the Equity Transfer Agreement. The Company has considered the following relevant documents provided by the Purchaser, including but not limited to the business licenses, articles of association, capital verification reports, and audited financial statements for the past three years of the Purchaser and its affiliated entities. The Purchaser has a registered capital of RMB60 million, operates primarily in vocational education, skills training and educational consulting, and holds fixed assets valued at approximately RMB2.5 billion. The Purchaser's Guarantor, being the ultimate beneficial owner of the Purchaser, engages in school management, real estate development, human resources services and vocational training businesses, demonstrated strong asset strength and a diversified business portfolio, which enables it to fulfill its guarantee obligations under the Disposal. Furthermore, the Company has conducted credit assessment of the Purchaser and the Purchaser's Guarantor through publicly available sources including the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統), China Judgments Online (中國裁判文書網), and the China Enforcement Information Disclosure Platform (中國執行信息公開網). The search results indicate that neither the Purchaser nor its Guarantor is involved in any unresolved litigation or listed as a judgment debtor. Based on this assessment, the Company is of the view that the Purchaser and its Guarantor possess sound credit standing and have sufficient financial capacity to fulfil

their obligations under the Disposal. In addition, the Purchaser has obtained confirmation from the competent authority in the Target Subjects' jurisdiction, and has duly submitted complete disclosure of the Purchaser's and its affiliates' information, which has been accepted by the relevant authority.

Save and except as stated above, all the information in the Announcement remains unchanged.

By Order of the Board
XJ International Holdings Co., Ltd.
Zhang Bing
Chairman and non-executive Director

Hong Kong, 19 May 2025

As at the date of this announcement, the Board of the Company comprises Mr. Deng Yi, Mr. Wang Huiwu and Ms. Wang Xiu as executive Directors; Mr. Zhang Bing, Mr. Xu Changjun and Mr. Wang Xiaowu as non-executive Directors; and Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan as independent non-executive Directors.