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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)

- (I) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE OF EVERY EIGHT (8) SHARES HELD ON THE RECORD DATE;**
- (II) CONNECTED TRANSACTION IN RELATION TO THE UNDERWRITING AGREEMENT;**
- (III) APPLICATION FOR WHITEWASH WAIVER; AND**
- (IV) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Joint financial advisers to the Company



**DILIGENT
CAPITAL**

Diligent Capital Limited



Pelican Financial Limited

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

VINCO® 榮高

Vinco Financial Limited

Placing Agent to the Company



**東方滙財證券有限公司
ORIENT SECURITIES LIMITED**

PROPOSED RIGHTS ISSUE

The Board proposes to raise gross proceeds of up to approximately HK\$205.62 million, through a Rights Issue of 1,028,121,838 Rights Shares at the Subscription Price of HK\$0.2 per Rights Share based on one (1) Rights Share for every eight (8) Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Assuming that there will be no change to the total issued share capital of the Company on or before the Record Date and full acceptance of the Rights Issues, the maximum net proceeds from the Rights Issues (after deducting the estimated expenses) are estimated to be approximately HK\$203.56 million.

The Rights Shares (when allotted, issued, and fully paid) will rank *pari passu* in all respects with the Shares in issue. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made, or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Irrevocable Undertakings

As of the date of this announcement, (i) Mr. Wang, the chief executive officer of the Company and an executive Director, holds 81,162,586 Shares, representing approximately 0.99% of the total issued share capital of the Company as at the date of this announcement; (ii) Hope Education Investment Limited holds 3,717,553,240 Shares, representing approximately 45.20% of the total issued share capital of the Company as at the date of this announcement; (iii) Tequ Group (Hong Kong) Company Limited holds 42,242,703 Shares, representing approximately 0.51% of the total issued share capital of the Company as at the date of this announcement; and (iv) Maysunshine Holdings Limited holds 89,609,414 shares, representing approximately 1.09% of the total issued share capital of the Company as at the date of this announcement.

In accordance with the terms of the Irrevocable Undertakings, Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited have collectively provided irrevocable and unconditional undertakings to the Company that:

- (i) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited will either subscribe for or procure subscriptions of 10,145,323 Rights Shares, 464,694,155 Rights Shares, 5,280,337 Rights Shares, and 11,201,176 Rights Shares, respectively, which represents their full provisional entitlements related to the total of 491,320,991 Shares that are beneficially owned by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited;

- (ii) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited agrees not to dispose of, or make arrangements to dispose of, any of the Shares currently held. These Shares will continue to be beneficially owned by each of them up to and including the Record Date; and
- (iii) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited will submit or ensure the submission of applications for 10,145,323 Rights Shares, 464,694,155 Rights Shares, 5,280,337 Rights Shares, and 11,201,176 Rights Shares, which represent the number of Rights Shares provisionally allotted (on a nil-paid basis) to them under the Rights Issue, to the Registrar.

THE UNDERWRITING AGREEMENT

The Rights Issue will be fully underwritten by Hope Education Investment Limited, which acts as the Underwriter.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite a minimum of 536,800,847 Rights Shares and a maximum of 697,460,993 Rights Shares. This arrangement excludes the 491,320,991 Rights Shares that have been undertaken for subscription by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited in accordance with the terms of the Irrevocable Undertakings. The underwriting process will be conducted in alignment with the terms and conditions established in the Underwriting Agreement.

Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this announcement.

LISTING RULES IMPLICATIONS

The Rights Issue

The Company has not conducted any rights issue or open offer within the 12 months prior to the date of this announcement, and the Rights Issue will not increase the total issued share capital or market capitalisation of the Company by more than 50%. Therefore, the Rights Issue is not subject to the minority Shareholders’ approval under Rule 7.19A of the Listing Rules.

The Underwriting Agreement

As at the date of this announcement, Hope Education Investment Limited, acting as the Underwriter, is owned as to 43.19% by Maysunshine Limited, 38.30% by Tequ Group A Limited, and 18.51% by Tequ Group Limited* (特驅集團有限公司). Maysunshine Limited is owned as to 94.946% by Maysunshine Holdings Limited. Maysunshine Holdings Limited is wholly-owned by Cantrust (Far East) Limited, whilst Cantrust (Far East) Limited is serving as the trustee of Maysunshine Trust. The Maysunshine Trust is an irrevocable family trust established by Mr. Wang in July 2020.

Therefore, the Underwriter is an associate of Mr. Wang and is considered as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and are subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Underwriter shall abstain from voting on the relevant resolution(s) at the EGM.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As of the date of this announcement, the Underwriter and parties acting in concert with it (including Mr. Wang, Mr. Wang Xiaowu, Hope Education Investment Limited, Maysunshine Limited, Maysunshine Holdings Limited, Maysunshine Trust, Cantrust (Far East) Limited, Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) and Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司)), taken together, in aggregate, hold 3,930,567,943 shares, representing approximately 47.79% of the total issued share capital of the Company.

Assuming (i) there is no change to the total issued share capital of the Company on or before the Record Date, (ii) none of the Unsubscribed Rights Shares are taken up by independent placees(s) under the Compensatory Arrangements, and (iii) none of the Qualifying Shareholders (other than the Irrevocable Undertakings) have taken up their entitlements under the Rights Issue, the maximum number of Rights Shares will be 536,800,847 (being all the Rights Shares other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings). In these circumstances, upon Completion, the total number of Shares held by the Underwriter and any parties acting in concert with it would be increased from 3,930,567,943 Shares, representing approximately 47.79%% of the total issued share capital of the Company as of the date of this announcement, to 4,958,689,781 Shares, representing approximately 53.59% of the total issued share capital of the Company, as enlarged by the Rights Shares upon Completion. Accordingly, such increase of voting rights of the Company of the Underwriter would therefore trigger an obligation of the Underwriter and parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive. The Underwriter and any parties acting in concert with it may further increase their shareholding in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

An application will be made by the Underwriter to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among others, (i) the approval by at least 75% of the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

The Underwriter and parties acting in concert with it, and any Shareholders who are involved in, or interested in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and/or the Whitewash Waiver shall abstain from voting on the relevant resolution(s) at the EGM.

The Rights Issue is conditional on, among other things, (i) the granting of the Whitewash Waiver by the Executive and (ii) the approval by the Independent Shareholders at the EGM regarding the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. If the Whitewash Waiver is not granted, and/or the approvals from the Independent Shareholders are not obtained, or if any conditions precedent under the Underwriting Agreement are not fulfilled, the Rights Issue will not proceed.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the non-executive Directors (save for Mr. Wang Xiaowu, the non-executive Director who is the son of Mr. Wang and is deemed acting in concert with the Underwriter), namely Mr. Zhang Bing, and Mr. Xu Changjun, and all the independent non-executive Directors, namely Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan, to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated therein, and the Whitewash Waiver, and as to the voting action therefor.

Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated therein, and the Whitewash Waiver. The Independent Board Committee will form its opinion on these terms after receiving and considering the advice from the Independent Financial Adviser.

EGM

The EGM will be held to consider and, if thought fit, pass the resolution(s) to approve, among other things: (i) the Rights Issue; (ii) the Placing Agreement; (iii) the Underwriting Agreement; and (iv) the Whitewash Waiver. Only the Independent Shareholders will be entitled to vote on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver at the EGM.

In accordance with the Listing Rules and the Takeovers Code, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates, the Underwriter and parties acting in concert with it, and any Shareholders (i) who are involved in, or interested in (other than by being a Shareholder); or (ii) have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and/or the Whitewash Waiver, will be required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver at the EGM. As at the date of this announcement, save for the Underwriter and parties acting in concert with it, including Mr. Wang, Mr. Wang Xiaowu, Hope Education Investment Limited, Maysunshine Limited, Maysunshine Holdings Limited, Maysunshine Trust, Cantrust (Far East) Limited, Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) and Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司), no other Shareholder is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver at the EGM.

DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The Circular containing, among other things, (i) further details of the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) a notice convening the EGM is required to be despatched to all Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Hong Kong Takeovers Code (i.e., on or before Thursday, 31 July 2025 or such later date as the Executive may approve).

Subject to, among others, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver being approved at the EGM, the Prospectus Documents, or the Prospectus, whichever is appropriate, will be despatch to the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders in due course.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Board proposes to raise gross proceeds of up to approximately HK\$205.62 million, through a Rights Issue of 1,028,121,838 Rights Shares at the Subscription Price of HK\$0.2 per Rights Share based on one (1) Rights Share for every eight (8) Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue:	one (1) Rights Share for every eight (8) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.2 per Rights Share
Net Subscription Price (after expenses):	HK\$0.198 per Rights Share
Number of Shares in issue as of the date of this announcement:	8,224,974,706 Shares
Number of Rights Shares:	Assuming there is no change to the total issued share capital of the Company on or before the Record Date, the maximum number of Rights Shares will be 1,028,121,838. Assuming (i) the full conversion of the Convertible Bonds on or before the Record Date; (ii) all share options granted under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme are exercised; and (iii) there are no changes to the total issued share capital of the Company (other than the issuance of Shares related to the Convertible Bonds and the Share Options) on or before the Record Date, the maximum number of Rights Shares will be 1,188,781,984.
Aggregate nominal value of the Rights Shares:	Not less than approximately US\$10,281 and not more than approximately US\$11,888.
Gross proceeds from the Rights Issue:	Assuming (i) there is no change to the total issued share capital of the Company on or before the Record Date and (ii) the Qualifying Shareholders or the Underwriter take up all Rights Shares, the maximum gross proceeds from the Rights Issue will be HK\$205.62 million.

Assuming (i) the full conversion of the Convertible Bonds on or before the Record Date; (ii) all share options granted under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme are exercised; (iii) there are no changes to the total issued share capital of the Company (other than the issuance of Shares related to the Convertible Bonds and the Share Options) on or before the Record Date; and (iv) the Qualifying Shareholders or the Underwriter take up all Rights Shares, the maximum gross proceeds from the Rights Issue will be HK\$237.76 million.

As of the date of this announcement, there are (i) 230,287,254 outstanding share options under the 2018 Pre-IPO Share Option Scheme entitling the holders thereof to subscribe for up to an aggregate of 230,287,254 Shares; (ii) 509,054,852 outstanding share options under the 2022 Share Option Scheme entitling the holders thereof to subscribe for up to an aggregate of 509,054,852 Shares; and (iii) Convertible Bonds with an outstanding aggregate principal amount of US\$271,100,000 under the CB Subscription Agreement entitling the holders thereof to convert into an aggregate of 545,939,067 Shares. No Share Option was granted to a substantial shareholder of the Company or an associate of any of them under the Share Option Schemes since the adoption of the Share Option Schemes.

Save as disclosed above, the Company does not have any other derivatives, options, warrants, other securities, conversion rights, or similar rights that are convertible or exchangeable into Shares.

Assuming there is no change to the total issued capital of the Company on or before the Record Date, 1,028,121,838 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 12.50% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.11% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

The Irrevocable Undertakings

As of the date of this announcement, (i) Mr. Wang, the chief executive officer of the Company and the executive Director, holds 81,162,586 Shares, representing approximately 0.99% of the total issued share capital of the Company as at the date of this announcement; (ii) Hope Education Investment Limited holds 3,717,553,240 Shares, representing approximately 45.20% of the total issued share capital of the Company as at the date of this announcement; (iii) Tequ Group (Hong Kong) Company Limited holds 42,242,703 Shares, representing approximately 0.51% of the total issued share capital of the Company as at the date of this announcement; and (iv) Maysunshine Holdings Limited holds 89,609,414 shares, representing approximately 1.09% of the total issued share capital of the Company as at the date of this announcement.

In accordance with the terms of the Irrevocable Undertakings, Mr. Wang, Hope Education Investment Limited and Maysunshine Holdings Limited have collectively provided irrevocable and unconditional undertakings to the Company that

- (i) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited will either subscribe for or procure subscriptions of 10,145,323 Rights Shares, 464,694,155 Rights Shares, 5,280,337 Rights Shares, and 11,201,176 Rights Shares, respectively, which represents their full provisional entitlements related to the total of 491,320,991 Shares that are beneficially owned by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited;
- (ii) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited agrees not to dispose of, or make arrangements to dispose of, any of the Shares currently held. These Shares will continue to be beneficially owned by each of them up to and including the Record Date; and
- (iii) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited will submit or ensure the submission of applications for 10,145,323 Rights Shares, 464,694,155 Rights Shares, 5,280,337 Rights Shares, and 11,201,176 Rights Shares, which represent the number of Rights Shares provisionally allotted (on a nil-paid basis) to them under the Rights Issue, to the Registrar.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Prospectus (without the PAL), for information only, to the Non-Qualifying Shareholders (if any).

To qualify for the Rights Issue, the Shareholders must, at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be the Non-Qualifying Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 4 September 2025.

Closure of register of members

The register of members of the Company will be closed from Friday, 15 August 2025 to Thursday, 21 August 2025 (both days inclusive) to determine whether the Shareholders are eligible to attend and vote at the EGM.

The register of members will be closed from Wednesday, 3 September 2025 to Tuesday, 9 September 2025 (both days inclusive) to determine the entitlements to the Rights Issue, during which period no transfer of Shares will be registered.

Subscription Price

The Subscription Price of HK\$0.2 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 5.82% to the closing price of HK\$0.189 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 6.95% to the average closing price of approximately HK\$0.187 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 9.89% to the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 5.26% to the theoretical ex-rights price of approximately HK\$0.190 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.189 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) there is no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) as there is a premium of approximately 0.53%, represented by the theoretical diluted price of approximately HK\$0.190 per Share to the benchmarked price of approximately HK\$0.189 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the theoretical closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement);
- (vi) a discount of approximately 83.61% to the audited net asset value per Share of approximately HK\$1.22 based on the audited consolidated net asset value of the Group of approximately RMB9,154.5 million (equivalent to approximately HK\$10,068.1 million) as at 31 August 2024 and the number of Shares in issue as at the date of this announcement (i.e. 8,224,974,706 Shares); and

(vii) a discount of approximately 83.74% to the unaudited net asset value per Share of approximately HK\$1.23 based on the latest unaudited consolidated net asset value Group of approximately RMB9,451.7 million (equivalent to approximately HK\$10,092.53 million) as at 28 February 2025 and the number of Shares in issue as at the date of this announcement (i.e. 8,224,974,706 Shares).

The Subscription Price was arrived at after an arm's length negotiation, based on, among other things, the prevailing market price of the Shares and the Group's financial conditions. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (excluding the independent non-executive Directors) consider the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, issued, and fully paid) will rank *pari passu* in all respects with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made, or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every eight (8) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be, have not been, and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to participate in the Rights Issue.

According to the register of members of the Company as of the date of this announcement, there is no Overseas Shareholder. As such, based upon the register of members of the Company as of the date of this announcement, there is no Non-Qualifying Shareholder.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors will make inquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) with registered addresses in the jurisdictions set out above.

It is the responsibility of the Shareholders, including the Overseas Shareholders, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders who have registered addresses in the PRC, who are, therefore, Qualifying Shareholders. As such, based upon the register of members of the Company as of the Record Date, there was no Non-Qualifying Shareholder.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid pro-rata to the relevant Non-Qualifying Shareholders. Given administrative costs, the Company will retain individual amounts of HK\$100 or less for its benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing with the Company's securities.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated, rounded down to the nearest whole number and will be disposed by the Company in the open market if a premium (net of expenses) can be obtained.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 2,000 Rights Shares.

Odd lot arrangement

No odd lot matching services will be provided by the Company in respect of the Rights Issue.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms, will be accepted as eligible securities by HKSCC for deposit, clearance, and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21 (2) of the Listing Rules, as the Underwriter, being a substantial shareholder, will act as the underwriter of the Rights Issue, the Company must make arrangements as stipulated in Rule 7.21(1)(b) of the Listing Rules to dispose of any Unsubscribed Rights Shares by offering such Unsubscribed Rights Shares to independent placees for the benefit of the relevant No Action Shareholders.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to the relevant No Action Shareholders and Non-Qualifying Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, seek to procure, by not later than 4:00 p.m. on Tuesday, 30 September 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the No Action Shareholders as set out below:

- (a) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL; and
- (b) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS.

If the Net Gain to any of the No Action Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty, (ii) the Stock Exchange trading fee, (iii) SFC transaction levy, and (iv) any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 13 October 2025.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched by ordinary post on or before Monday, 13 October 2025 at the respective Shareholders' own risk.

THE UNDERWRITING AGREEMENT

On 10 July 2025, the Underwriter and the Company entered into the Underwriting Agreement pursuant to which the Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by Mr. Wang, Hope Education Investment Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings.

The principal terms of the Underwriting Agreement are summarised below.

Date	:	10 July 2025
Issuer	:	The Company
Underwriter	:	Hope Education Investment Limited, which is a substantial shareholder of the Company as at the date of this announcement
Total number of Rights Shares underwritten by the Underwriter	:	Assuming there is no change to the total issued share capital of the Company on or before the Record Date, the maximum number of Rights Shares will be 536,800,847 (being all the Rights Shares other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings).

Assuming (i) the full conversion of the Convertible Bonds on or before the Record Date; (ii) all share options granted under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme are exercised; and (iii) there are no changes to the total issued share capital of the Company (other than the issuance of Shares related to the Convertible Bonds and the Share Options) on or before the Record Date, the maximum number of Rights Shares will be 697,460,993 (being all the Rights Shares other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings).

Commission : The Underwriter will not receive any underwriting commission.

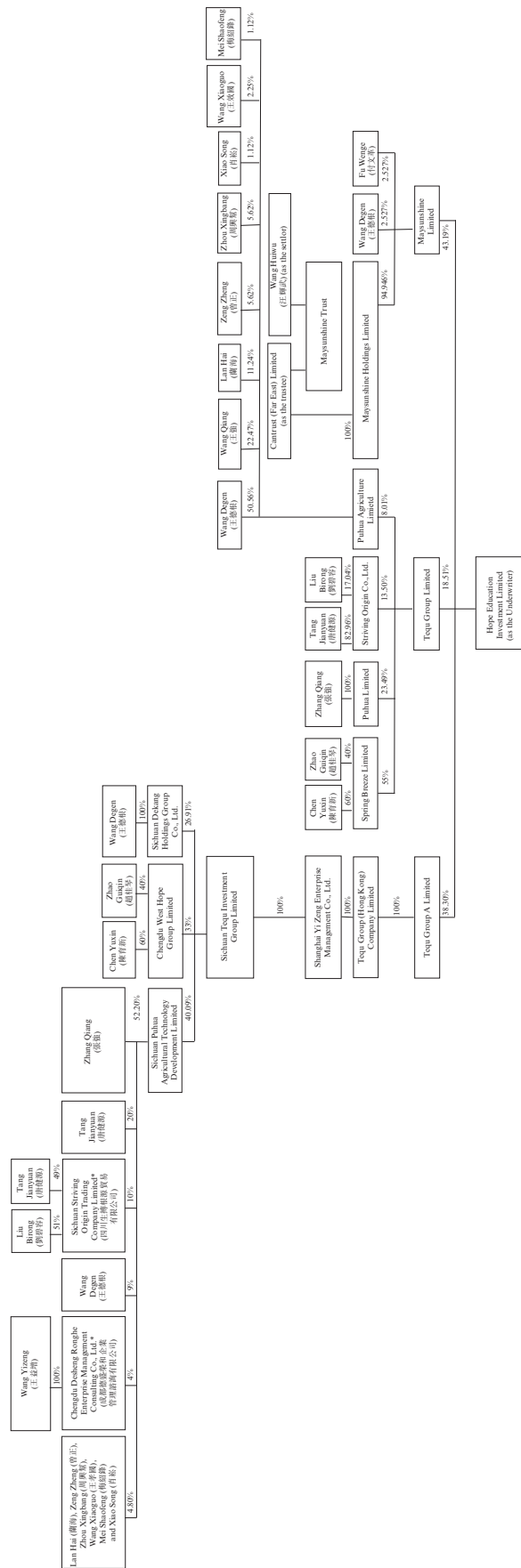
The terms of the Underwriting Agreement were determined after arm's length negotiation between the Company and the Underwriter with reference to the financial position of the Group, the size of the Rights Issue, and the market conditions.

It is not in the ordinary course of business of the Underwriter to underwrite issues of shares. The Underwriter's role as an underwriter in respect of the Rights Issue, together with the Irrevocable Undertakings signifies strong support from the substantial Shareholder to the Group and its confidence in the development of the Group.

Having considered the above, the Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) consider that the terms of the Underwriting Agreement are fair and reasonable, and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Information about the Underwriter

Hope Education Investment Limited, acting as the Underwriter, is a company incorporated in the British Virgin Islands with limited liability. As of the date of this announcement, Hope Education Investment Limited is owned as to 43.19% by Maysunshine Limited, 38.30% by Tequ Group A Limited, and 18.51% by Tequ Group Limited* (特驅集團有限公司). The following chart provides a detailed shareholding structure of the Underwriter as of the date of this announcement:



As of the date of this announcement, Maysunshine Limited is owned as to 94.946% by Maysunshine Holdings Limited. Maysunshine Holdings Limited is wholly-owned by Cantrust (Far East) Limited, whilst Cantrust (Far East) Limited is serving as the trustee of Maysunshine Trust. The Maysunshine Trust is an irrevocable family trust established by Mr. Wang in July 2020.

As of the date of this announcement, Tequ Group A Limited is a wholly-owned subsidiary of Tequ Group (Hong Kong) Company Limited, which is entirely owned by Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司), which is in turn wholly-owned by Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司).

As of the date of this announcement, Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司) is 33% held by Chengdu West Hope Group Limited* (成都華西希望集團有限公司) 40.09% by Sichuan Puhua Agricultural Technology Development Limited* (四川普華農業科技發展有限公司), and 26.91% by Sichuan Dekang Holdings Group Co., Ltd.* (四川德康控股集團有限公司), which is wholly-owned by Wang Degen (王德根).

As of the date of this announcement, The ownership of Chengdu West Hope Group Limited* (成都華西希望集團有限公司) is comprised of 60% by Mr. Chen Yuxin (陳育新) and 40% by Ms. Zhao Guiqin (趙桂琴). Sichuan Puhua Agricultural Technology Development Limited* (四川普華農業科技發展有限公司) is owned as to 52.2% by Mr. Zhang Qiang (張強), 20% by Tang Jianyuan (唐健源), 10% by Sichuan Striving Origin Trading Company Limited* (四川生搏根源貿易有限公司), 9% by Wang Degen (王德根), 4% by Chengdu Desheng Ronghe Enterprise Management Consulting Co., Ltd.* (成都德盛榮和企業管理諮詢有限公司), which is wholly-owned by Wang Yizeng (王益增), 2% by Lan Hai (蘭海), 1% by Zeng Zheng (曾正), 1% by Zhou Xingbang (周興幫), 0.4% by Wang Xiaoguo (王孝國), 0.2% by Mei Shaofeng (梅紹鋒), and 0.2% by Xiao Song (肖崧). Sichuan Striving Origin Trading Company Limited* (四川生搏根源貿易有限公司) is owned as to 51% by Liu Birong (劉碧容) and 49% by Tang Jianyuan (唐健源).

Tequ Group Limited* (特驅集團有限公司) is ultimately beneficially owned as to 60% by Chen Yuxin (陳育新) and 40% by Zhao Guiqin (趙桂琴) through Spring Breeze Limited.

In light of the above, the Underwriter is an associate of Mr. Wang and therefore, the Underwriter is a connected person of the Company under Chapter 14A of the Listing Rules.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional upon fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of (a) ordinary resolutions to approve the Underwriting Agreement, the Rights Issue and the transactions contemplated thereunder; and (b) a special resolution to approve the Whitewash Waiver by no later than the Posting Date;
- (ii) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (iii) the delivery to the Stock Exchange and the filing and registration with the Registrar in Hong Kong, respectively one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having being approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding-Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (v) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (vi) the Underwriting Agreement not being terminated pursuant to the terms thereof and remaining in full force and effect;
- (vii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertaking;
- (viii) all other necessary waivers, consents, and approvals (if required) from the Company and the Underwriter for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled; and
- (ix) the Placing Agreement having been entered into by the parties thereto and having become unconditional and not terminated pursuant to the terms thereof.

As of the date of this announcement, the necessary consents and approvals as stated in condition (viii) above refer to the resolutions of the Company and the Underwriter regarding the approval of the Rights Issue and the transactions contemplated therein.

None of the above conditions precedent can be waived. If any of the conditions precedent is not satisfied by the Latest Time for Termination (or such later time and/or date as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out; or
 - (e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed.

Conditions of the Rights Issue

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Date : 10 July 2025 (after trading hours)

Issuer : The Company

- Placing Agent : Orient Securities Limited was appointed as the placing agent to place, or procure the placing of, a maximum of 697,460,993 Unsubscribed Rights Shares (being all the Rights Shares other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings), on a best effort basis, to the Placee(s).
- The Placing Agent has confirmed that it is independent of, and not acting in concert with, the Underwriter and parties acting in concert with it.
- Placing Period : The period from Friday, 26 September 2025 up to 4:00 p.m. on Tuesday, 30 September 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.
- Placing Price : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process.
- Placing Commission : Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission equivalent to (i) being 0.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent; or (ii) a fixed fee of HK\$50,000, whichever is higher.
- Placees : The placees shall be professional, institutional and other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s) (where applicable), shall be third party(ies) independent of, not acting in concert with and not connected with, the Underwriter and parties acting in concert with it and/or any of the Company's connected persons.
- Ranking of the Unsubscribed Rights Shares : The placed Unsubscribed Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of completion of the Placing.

Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:

- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
- (ii) the Rights Issue having been approved by the Shareholders at the EGM by an ordinary resolution;
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

None of the above conditions precedent are capable of being waived by the parties to the Placing Agreement. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

Termination : If any of the following events occur at any time prior to the Placing Long Stop Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

The Unsubscribed Arrangements are in compliance with the requirements under Rule 7.21(1)(b) under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after an arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interests of the Independent Shareholders, and be fair and reasonable, in the interests of the Company and the Shareholders as a whole.

Given that the Company has put in place the Unsubscribed Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

REASONS FOR THE RIGHTS ISSUE AND THE INTENDED USE OF PROCEEDS

Assuming that the Rights Issue is fully accepted and no new shares will be allotted or issued on or before the Record Date, the net proceeds of the Rights Issue (the “**Net Proceeds**”) to be received by the Company, after deducting all estimated expenses payable for the Rights Issue, are estimated to be up to approximately HK\$203.56 million. The Directors plan to use such proceeds to redeem the outstanding Convertible Bonds, as part of the Group’s restructuring proposal, as disclosed in the Company’s announcement dated 1 June 2025.

As of the date of this announcement, there are Convertible Bonds with an outstanding aggregate principal amount of US\$271,100,000 under the CB Subscription Agreement entitling the holders thereof to convert into an aggregate of 545,939,067 Shares.

As disclosed in the Company’s announcement dated 1 June 2025, the Company announced that following discussions with the beneficial holders of the Convertible Bonds, it is considering a complete and final settlement of all outstanding amounts associated with the Convertible Bonds. This proposed settlement will be pursued through a consent solicitation process to facilitate implementation by way of the following method:

- i) Early Redemption: redemption of all outstanding Convertible Bonds by paying to holders of the Convertible Bonds in cash an amount equal to US\$610 for every US\$1,000 in principal amount of the outstanding Convertible Bonds (“**Early Redemption**”); and
- ii) Consent fee: payment of a consent fee in cash to each eligible holder of the Convertible Bonds who votes in favour of the extraordinary resolution(s) approving the requisite amendments to effect the Early Redemption on or before the deadline designated by the Issuer or the Company, in an amount equal to US\$10 for every US\$1,000 in principal amount of the outstanding Convertible Bonds held by each such holder.

As of the date of this announcement, the Company is still in negotiations with the beneficial owners on the definitive terms of the above proposal, and the parties have not entered into any legally binding agreement regarding the same.

Each of the holders of the Convertible Bonds and their ultimate beneficial owner(s) (i) are Independent Third Parties; (ii) are not Shareholders; and (iii) are independent of and not acting in concert with the Underwriter. Therefore, there are no special deal implication under Rule 25 of the Takeovers Code.

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security, and creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without allowing them to take part in the exercise. Unlike an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Considering the abovementioned alternatives, the Directors consider that the Rights Issue will enable the Company to improve its liquidity position and enhance its financial position while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a fully underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

Conclusion

The Board is currently evaluating the need for additional working capital. According to the Company's interim report for the six months ended 28 February 2025, as of 28 February 2025, the Group's estimated cash and cash equivalent was approximately RMB1,616.38 million, a portion of which will be arranged for operating funds for the schools and is therefore not sufficient to fully settle all outstanding amounts associated with the Convertible Bonds. Considering this, the Board is contemplating the possibility of raising further funds and has considered various fund raising alternatives, as set out in the paragraph headed "REASONS FOR THE RIGHTS ISSUE AND THE INTENDED USE OF PROCEEDS", which they believe would be in the best interest of the Company and its shareholders to meet imminent financial commitments.

In the event that the proceeds raised by the Rights Issue is less than the aforesaid estimated net proceeds of approximately HK\$203.56 million, the Company will further evaluate options including, amongst others, reducing the proposed settlement amount relating to the Convertible Bonds or exploring other financing, and/or fund-raising alternatives.

FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the Company's shareholding structure arising from the Rights Issue, which are for illustrative purposes only. Below is the illustration of the Company's shareholding structure, including

- (i) as of the date of this announcement;
- (ii) immediately after Completion, assuming (a) all Qualifying Shareholders will take up their respective entitlements of the Rights Issue in full; and (b) there is no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 1**");
- (iii) immediately after Completion, assuming (a) other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings, none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares; (b) none of the Unsubscribed Rights Shares are taken up by independent placee(s) under the Compensatory Arrangements; (c) the Underwriter has undertaken all Unsubscribed Rights Shares; and (d) there is no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 2**");
- (iv) immediately after Completion, assuming (a) other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings, none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares; (b) all the Unsubscribed Rights Shares are taken up by independent placee(s) under the Compensatory Arrangements; and (c) there is no change to the total issued share capital of the Company on or before the Record Date ("**Scenario 3**"); and

- (v) immediately after Completion, assuming (a) the full conversion of the Convertible Bonds on or before the Record Date; (b) all share options granted under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme are exercised; other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings, none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares; (c) none of the Unsubscribed Rights Shares are taken up by independent placee(s) under the Compensatory Arrangements; (d) the Underwriter has undertaken all the Unsubscribed Rights Shares in accordance with the Underwriting Agreement; and (e) there is no change to the total issued share capital of the Company on or before the Record Date (other than the issuance of Shares related to the Convertible Bonds and the Share Options) (“**Scenario 4**”).

Shareholders	As of the date of this announcement		Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate
		%		%		%		%		%
The Underwriter (Note 1)	3,717,553,240	45.20%	4,182,247,395	45.20%	4,719,048,242	51.00%	4,182,247,395	45.20%	4,879,708,388	45.61%
Maysunshine Holdings Limited (Note 1)	89,609,414	1.09%	100,810,590	1.09%	100,810,590	1.09%	100,810,590	1.09%	100,810,590	0.94%
Mr. Wang (Note 1)	81,162,586	0.99%	91,307,909	0.99%	91,307,909	0.99%	91,307,909	0.99%	91,307,909	0.85%
Tequ Group (Hong Kong) Company Limited (Note 1)	42,242,703	0.51%	47,523,040	0.51%	47,523,040	0.51%	47,523,040	0.51%	47,523,040	0.45%
Sub-total of the Underwriter and parties acting in concert with it	3,930,567,943	47.79%	4,421,888,934	47.79%	4,958,689,781	53.59%	4,421,888,934	47.79%	5,119,349,927	47.85%
Placees	—	—	—	—	—	—	536,800,847	5.80%	—	—
Other public Shareholders	4,294,406,763	52.21%	4,831,207,610	52.21%	4,294,406,763	46.41%	4,294,406,763	46.41%	5,579,687,936	52.15%
	<u>8,224,974,706</u>	<u>100.00%</u>	<u>9,253,096,544</u>	<u>100.00%</u>	<u>9,253,096,544</u>	<u>100.00%</u>	<u>9,253,096,544</u>	<u>100.00%</u>	<u>10,699,037,863</u>	<u>100.00%</u>

Note:

1. Hope Education Investment Limited, a BVI company, is owned as to 43.19% by Maysunshine Limited, 38.30% by Tequ Group A Limited and 18.51% by Tequ Group Limited* (特驅集團有限公司).

Maysunshine Limited is owned as to 94.946% by Maysunshine Holdings Limited, 2.527% by Wang Degen (王德根) and 2.527% by Fu Wenge (付文革), which is in turn 100% beneficially held by Maysunshine Trust and Cantrust (Far East) Limited as trustee of Maysunshine Trust. 2.527% by Wang Degen (王德根) and 2.527% by Fu Wenge (付文革).

The Maysunshine Trust is an irrevocable family trust established by Mr. Wang in July 2020. The initial trustee was Credit Suisse Trust Limited (Singapore) (“**Credit Suisse**”). After that, Credit Suisse was sold, and Mr. Wang re-appointed Intertrust Trustee (BVI) Limited as the new family trustee of the Maysunshine Trust in March 2024. Cantrust (Far East) Limited is the trust holder under the Intertrust Trustee (BVI) Limited group.

Mr. Wang, being a director of the Company, is deemed to be interested in 3,807,162,654 Shares of the issued capital of the Company owned by Cantrust (Far East) Limited and beneficially owned 81,162,586 Shares.

Tequ Group A Limited is a wholly-owned subsidiary of Tequ Group (Hong Kong) Company Limited. Tequ Group (Hong Kong) Company Limited is wholly-owned by Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司). Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) is wholly-owned by Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司), which is in turn owned as to 33% by Chengdu West Hope Group Limited* (成都華西希望集團有限公司), 40.09% by Sichuan Puhua Agricultural Technology Development Limited* (四川普華農業科技發展有限公司) and 26.91% by Sichuan Dekang Holdings Group Co., Ltd.* (四川德康控股集團有限公司). Chengdu West Hope Group Limited* (成都華西希望集團有限公司) is owned as to 60% by Chen Yuxin (陳育新) and 40% by Zhao Guiqin (趙桂琴). Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are spouses. Sichuan Puhua Agricultural Technology Development Limited* (四川普華農業科技發展有限公司) is owned as to 52.20% by Zhang Qiang (張強). Sichuan Dekang Holdings Group Co., Ltd.* (四川德康控股集團有限公司) is wholly-owned by Wang Degen (王德根). Wang Degen (王德根) and Zhang Qiang (張強) are spouses.

Tequ Group Limited* (特驅集團有限公司) is owned as to 55% by Spring Breeze Limited, 23.49% by Puhua Limited, 13.5% by Striving Origin Co., Limited, and 8.01% by Puhua Agriculture Limited. Spring Breeze Limited is owned as to 60% by Chen Yuxin (陳育新) and 40% by Zhao Guiqin (趙桂琴). Puhua Limited is wholly-owned by Zhang Qiang (張強). Striving Origin Co., Limited is owned as to 82.96% by Tang Jianyuan (唐健源) and 17.04% by Liu Birong (劉碧容). Puhua Agriculture Limited is owned as to 50.56% by Wang Degen (王德根), 22.47% by Wang Qiang (王強), 11.24% by Lan Hai (蘭海), 5.62% by Zeng Zheng (曾正), 5.62% by Zhou Xingbang (周興幫), 1.12% by Xiao Song (肖崧), 2.25% by Wang Xiaoguo (王效國) and 1.12% by Mei Shaofeng (梅紹鋒).

Thus, pursuant to class (1) and (8) of the definition of “acting in concert” under the Takeovers Code, Maysunshine Limited, Maysunshine Holdings Limited, Mr. Wang, Mr. Wang Xiaowu, Maysunshine Trust and Cantrust (Far East) Limited, Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) and Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司) are presumed to be parties acting in concert with the Underwriter.

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue set out below is for indicative purposes only and has been prepared assuming that all the conditions of the Rights Issue will be fulfilled.

Event(s)	Time and Date
Expected despatch date of circular together with notice and proxy forms in relation to the EGM	Thursday, 31 July 2025
Latest time for lodging transfers of the Shares to qualify for attendance and voting at the EGM.	4:30 p.m. on Thursday, 14 August 2025
Closure of the register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM.	Friday, 15 August 2025 to Thursday, 21 August 2025 (both days inclusive)
Latest time for lodging proxy forms for the EGM	10:00 a.m. on Tuesday, 19 August 2025
Record date for attendance and voting at the EGM	Thursday, 21 August 2025
Expected date and time of the EGM.	10:00 a.m. on Thursday, 21 August 2025
Announcement of poll results of the EGM	Thursday, 21 August 2025
Register of members of the Company re-opens	Friday, 22 August 2025
The following events are conditional on the fulfilment of the conditions relating to the implementation of the Rights Issue:	
Last day of dealings in the Shares on a cum-rights basis.	Friday, 29 August 2025
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue.	Monday, 1 September 2025
The latest time for lodging transfers of Shares in order to qualify for the Rights Issue.	4:30 p.m. on Tuesday, 2 September 2025

Closure of register of members of the Company for determination of entitlements to the Rights Issue . . .	Wednesday, 3 September 2025 to Tuesday, 9 September 2025 (both dates inclusive)
Record Date for the Rights Issue	Tuesday, 9 September 2025
Register of members of the Company re-opens	Wednesday, 10 September 2025
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only	Wednesday, 10 September 2025
First day of dealings in nil-paid Rights Shares	Friday, 12 September 2025
Latest time for splitting of PAL	4:30 p.m. on Tuesday, 16 September 2025
Last day of dealings in nil-paid Rights Shares	Friday, 19 September 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Wednesday, 24 September 2025
Latest time for acceptance and payment for the Rights Shares.	4:00 p.m. on Wednesday, 24 September 2025
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements . . .	Thursday, 25 September 2025
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Friday, 26 September 2025
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	Tuesday, 30 September 2025
Placing of the Unsubscribed Rights Shares to become unconditional	Thursday, 2 October 2025
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 3 October 2025

Announcement of the allotment results of the Rights
Issue to be published on the websites of the Stock
Exchange and the Company Friday, 10 October 2025

Despatch of share certificates for fully-paid Rights
Shares and completion of placing Monday, 13 October 2025

Despatch of refund cheques, if any, if the Rights Issue is
terminated Monday, 13 October 2025

Commencement of dealings in fully-paid Rights Shares. Tuesday, 14 October 2025

All times and dates in this announcement refer to local times and dates in Hong Kong. Dates or deadlines specified in the expected timetable above or other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

Effect of bad weather and/or extreme conditions on the Latest Time for Acceptance and payment for the Rights Shares

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no.8 or above, or “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected timetable of the Rights Issue” above may be affected. The Company will notify the Shareholders through announcements on any change to the expected timetable as soon as practicable.

LISTING RULES IMPLICATIONS

The Rights Issue

The Company has not conducted any rights issue or open offer within the 12 months prior to the date of this announcement, and the Rights Issue will not increase the total issued share capital or market capitalisation of the Company by more than 50%. Therefore, the Rights Issue is not subject to the minority Shareholders' approval under Rule 7.19A of the Listing Rules.

The Underwriting Agreement

As at the date of this announcement, Hope Education Investment Limited, acting as the Underwriter, is owned as to 43.19% by Maysunshine Limited, 38.30% by Tequ Group A Limited, and 18.51% by Tequ Group Limited* (特驅集團有限公司). Maysunshine Limited is owned as to 94.946% by Maysunshine Holdings Limited. Maysunshine Holdings Limited is wholly-owned by Cantrust (Far East) Limited, whilst Cantrust (Far East) Limited is serving as the trustee of Maysunshine Trust.

Therefore, the Underwriter is an associate of Mr. Wang and is considered as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and are subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Underwriter shall abstain from voting on the relevant resolution(s) at the EGM.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As of the date of this announcement, the Underwriter and parties acting in concert with it (including Mr. Wang, Mr. Wang Xiaowu, Hope Education Investment Limited, Maysunshine Limited, Maysunshine Holdings Limited, Maysunshine Trust, Cantrust (Far East) Limited, Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) and Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司)), taken together, in aggregate, hold 3,930,567,943 shares, representing approximately 47.79% of the total issued share capital of the Company.

Assuming (i) there is no change to the total issued share capital of the Company on or before the Record Date, (ii) none of the Unsubscribed Rights Shares are taken up by independent placee(s) under the Compensatory Arrangements; and (iii) none of the Qualifying Shareholders (other than the Irrevocable Undertakings) have taken up their entitlements under the Rights Issue, the maximum number of Rights Shares will be 536,800,847 (being all the Rights Shares other than the 491,320,991 Rights Shares that have been undertaken to be subscribed by Mr. Wang, Hope Education Investment

Limited, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings). In these circumstances, upon Completion, the total number of Shares held by the Underwriter and any parties acting in concert with it would be increased from 3,930,567,943 Shares to 4,958,689,781 Shares, representing approximately 53.59% of the total issued share capital of the Company, as enlarged by the Rights Shares. Accordingly, such increase of voting rights of the Company of the Underwriter would therefore trigger an obligation of the Underwriter and parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive. The Underwriter and any parties acting in concert with it may further increase their shareholding in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

An application will be made by the Underwriter to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among others, (i) the approval by at least 75% of the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

The Underwriter and parties acting in concert with it, and any Shareholders who are involved in, or interested in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and/or the Whitewash Waiver shall abstain from voting on the relevant resolution(s) at the EGM.

The Rights Issue is conditional on, among other things, (i) the granting of the Whitewash Waiver by the Executive and (ii) the approval by the Independent Shareholders at the EGM regarding the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. If the Whitewash Waiver is not granted, and/or the approvals from the Independent Shareholders are not obtained, or if any conditions precedent under the Underwriting Agreement are not fulfilled, the Rights Issue will not proceed.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the non-executive Directors (save for Mr. Wang Xiaowu, the non-executive Director who is the son of Mr. Wang and is deemed acting in concert with the Underwriter), namely Mr. Zhang Bing, and Mr. Xu Changjun, and all the independent non-executive Directors, namely Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan, to advise the

Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated therein, and the Whitewash Waiver, and as to the voting action therefor.

Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Rights Issue, the Placing Agreement, the Underwriting Agreement and transactions contemplated therein, and the Whitewash Waiver. The Independent Board Committee will form its opinion on these terms after receiving and considering the advice from the Independent Financial Adviser.

EGM

The EGM will be held to consider and, if thought fit, pass the resolution(s) to approve, among other things: (i) the Rights Issue; (ii) the Placing Agreement; (iii) the Underwriting Agreement; and (iv) the Whitewash Waiver. Only the Independent Shareholders will be entitled to vote on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver at the EGM.

In accordance with the Listing Rules and the Takeovers Code, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates, the Underwriter and parties acting in concert with it, and any Shareholders (i) who are involved in, or interested in (other than by being a Shareholder); or (ii) have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and/or the Whitewash Waiver, will be required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver at the EGM. As at the date of this announcement, save for the Underwriter and parties acting in concert with it, including Mr. Wang, Mr. Wang Xiaowu, Hope Education Investment Limited, Maysunshine Limited, Maysunshine Holdings Limited, Maysunshine Trust, Cantrust (Far East) Limited, Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) and Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司), no other Shareholder is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver at the EGM.

DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The Circular containing, among other things, (i) further details of the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (iii) a letter of advice from the independent

financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) a notice convening the EGM is required to be despatched to all Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Hong Kong Takeovers Code (i.e., on or before Thursday, 31 July 2025 or such later date as the Executive may approve).

Subject to, among others, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver being approved at the EGM, the Prospectus Documents, or the Prospectus, whichever is appropriate, will be despatch to the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders in due course.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

DEALINGS OF THE SHARES BY THE UNDERWRITER AND PARTIES ACTING IN CONCERT WITH IT

As at the date of this announcement, the Underwriter and parties acting in concert with it:

- (i) do not own, control or have control or direction over any voting rights and right over Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, save for the Shares as set out in the section headed “Effects on the Shareholding Structure of the Company” in this announcement;
- (ii) have not received any irrevocable commitment to vote for or against the Rights Issue, the Placing Agreement, the Underwriting Agreement and/or the Whitewash Waiver;

- (iii) have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iv) do not have any arrangements referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Underwriter, which might be material to the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver, with any other persons, save for the Underwriting Agreement and the Irrevocable Undertaking therein given by the Underwriter in respect of the interests in the Shares held by it;
- (v) do not have any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver, except that the Rights Issue and the Underwriting Agreement are conditional upon, among other things, obtaining of the Whitewash Waiver by the Underwriter as set out in the sub-section headed “Conditions of the Rights Issue” under the section headed “The Underwriting Agreement” of this announcement; and
- (vi) have not entered into any derivative in respect of the relevant securities in the Company which are outstanding.

As at the date of this announcement,

- (i) the Company has not paid and will not pay any consideration, compensation or benefit in whatever form to the Underwriter and parties acting in concert with it in connection with the Rights Issue and the Underwriting Agreement;
- (ii) save for the Subscription Price, there is no other consideration, compensation, or benefit in whatever form paid or to be paid by the Underwriter and parties acting in concert with it to the Group in relation to the Rights Issue;
- (iii) apart from the Underwriting Agreement and the Irrevocable Undertakings therein, there is no understanding, arrangement, agreement or special deal between the Group on the one hand, and the Underwriter and parties acting in concert with it on the other hand; and
- (iv) apart from the Underwriting Agreement and the Irrevocable Undertakings therein, there is no understanding, arrangement or agreement or special deal between (a) any Shareholder; and (b)(1) the Underwriter and parties acting in concert with it; or (2) the Company, its subsidiaries or associated companies.

During the six-month period preceding the date of this announcement and up to the date of this announcement, none of the Underwriter and any parties acting in concert with it has acquired any voting rights in the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2018 Pre-IPO Share Option Scheme”	the share option scheme adopted by the Company on 18 March 2018 and expiring on the day immediately before the date on which the Shares first commence trading on the Stock Exchange
“2022 Share Option Scheme”	the share option scheme adopted by the Company on 18 March 2022 which is valid for ten years commencing from its adoption
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under to the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CB Subscription Agreement”	the subscription agreement entered into between the Company and Credit Suisse dated 22 February 2021 in respect of the issue of the Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time

“Circular”	the circular of the Company to be despatched to the Shareholders containing, among other things, (i) further details of the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Placing Agreement, the Underwriting Agreement, and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) a notice convening the EGM
“Company”	XJ International Holdings Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1765)
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Completion”	completion of the Rights Issue, and the Whitewash Waiver
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the zero coupon convertible bonds with an outstanding aggregate principal amount of US\$271,100,000 pursuant to the terms and conditions of the CB Subscription Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve (i) the Rights Issue; (ii) the Placing Agreement; (iii) the Underwriting Agreement, and (iv) the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and the subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the non-executive Directors (save for Mr. Wang Xiaowu, the non-executive Director who is the son of Mr. Wang and is deemed acting in concert with the Underwriter), namely Mr. Zhang Bing, and Mr. Xu Changjun, and all independent non-executive Directors, namely Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan, which are independent of, and not acting in concert with, the Underwriter/Mr. Wang, and has been established in accordance with the Takeovers Code to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively and the Whitewash Waiver, and as to the voting action therefor
“Independent Financial Adviser”	Vinco Financial Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee, for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver, and as to the voting action therefor

“Independent Shareholder(s)”	the Shareholder(s) other than (i) the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates; (ii) the Underwriter and parties acting in concert with it, including Mr. Wang, Mr. Wang Xiaowu, Hope Education Investment Limited, Maysunshine Limited, Maysunshine Holdings Limited, Maysunshine Trust, Cantrust (Far East) Limited, Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd.* (上海乙增企業管理有限公司) and Sichuan Tequ Investment Group Limited* (四川特驅投資集團有限公司); (iii) Shareholders who are involved in or interested in (other than by being Shareholder) the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver; and (iv) Shareholders who have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) who are independent of and not acting in concert or connected with (i) the Company and any of its connected persons or any of their respective associates; and (ii) the Underwriter and parties acting in concert with it
“Irrevocable Undertakings”	the irrevocable undertaking given by the Underwriter, Mr. Wang, Tequ Group (Hong Kong) Company Limited and Maysunshine Holdings Limited in favour of the Company and described in the paragraph headed “The Irrevocable Undertakings”
“Last Trading Day”	10 July 2025, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 24 September 2025 (or such other time or date as may be determined by the Company), being the latest time for acceptance and payment for, the Rights Shares, as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Friday, 3 October 2025 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Huiwu, the executive Director and the chief executive officer of the Company
“No Action Shareholder(s)”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Orient Securities Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement

“Placing Agreement”	the placing agreement dated 10 July 2025 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements, pursuant to which the Placing Agent has agreed to procure places on a best effort basis to subscribe for the Unsubscribed Rights Shares
“Placing Long Stop Date”	Thursday, 2 October 2025, or such other date as may be agreed between the Company and the Placing Agent in writing as the latest date for the satisfaction of the conditions precedent under the Placing Agreement
“Placing Period”	the period from Friday, 26 September 2025 up to Tuesday, 30 September 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Posting Date”	Wednesday, 10 September 2025 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 9 September 2025, or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Shares for every eight (8) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue based on one (1) Rights Share for every eight (8) Shares in issue on the Record Date, being 1,028,121,838 Shares based on the Company’s issued share capital as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Options”	share options granted under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.2 per Rights Share
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Hope Education Investment Limited, a substantial shareholder of the Company
“Underwriting Agreement”	the underwriting agreement dated 10 July 2025 entered into between the Company and the Underwriter in relation to the Rights Issue

“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are Independent Third Parties and not acting in concert with the Underwriter and parties acting in concert with it pursuant to Rule 7.21(1)(b) of the Listing Rules
“Unsubscribed Rights Share(s)”	the Rights Share(s) that are not subscribed by the Qualifying Shareholders and the NQS Unsold Rights Shares (if any)
“US\$”	United States Dollar, the lawful currency of the United States of America
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it as a result of the taking up of the Rights Shares by the Underwriter as the underwriter pursuant to the Underwriting Agreement
“%”	per cent.

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

Hong Kong, 10 July 2025

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* For identification purpose only