



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)

Executive Directors:

Mr. Wang Huiwu
Ms. Wang Xiu
Mr. Deng Yi

Registered office:

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Non-executive Directors:

Mr. Zhang Bing
Mr. Xu Changjun
Mr. Wang Xiaowu

*Head office and principal place of
business in PRC:*

5/F, Administrative Building
Sichuan TOP IT Vocational Institute
2000 Xi Qu Avenue, Pidu District
Chengdu, PRC

Independent non-executive Directors:

Mr. Xiang Chuan
Mr. Liu Zhonghui
Mr. Zhang Jin

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No.248 Queen's Road East
Wanchai, Hong Kong

21 August 2025

To the Shareholders

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWELVE (12) EXISTING
SHARES HELD ON THE RECORD DATE ON
A NON-UNDERWRITTEN BASIS**

INTRODUCTION

References are made to the announcement dated 10 July 2025, and the Announcement in relation to, among other things, the Rights Issue.

The purpose of this Prospectus is to provide you with further information on, among other things, the Rights Issue, including procedures for acceptance, transfer and splitting of provisional allotments of the Rights Shares and certain financial information and other information in respect of the Group.

RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every twelve (12) existing Shares held by the Qualifying Shareholders as 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 Latest Practicable Date:	8,224,974,706 Shares
Number of Rights Shares:	<p>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 685,414,558.</p> <p>Assuming (i) the full conversion of the Convertible Bonds on or before the Record Date; (ii) all Share Options 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 792,521,323.</p>
Gross proceeds from the Rights Issue:	<p>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 take up all Rights Shares, the maximum gross proceeds from the Rights Issue will be HK\$137.08 million.</p>

Assuming (i) the full conversion of the Convertible Bonds on or before the Record Date; (ii) all Share Options 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 take up all Rights Shares, the maximum gross proceeds from the Rights Issue will be HK\$158.50 million.

As of the Latest Practicable Date, 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. The Share Options were granted exclusively to eligible employees of the Company under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme. No Share Option was granted to a substantial shareholder of the Company or an associate of any of them under the 2018 Pre-IPO Share Option Scheme and 2022 Share Option Scheme since the adoption of the 2018 Pre-IPO Share Option Scheme and 2022 Share Option Scheme.

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, 685,414,558 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 8.33% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 7.69% 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 Latest Practicable Date, (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 Latest Practicable Date; (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 Latest Practicable Date; (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 Latest Practicable Date; 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 Latest Practicable Date.

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 6,763,548 Rights Shares, 309,796,103 Rights Shares, 3,520,225 Rights Shares, and 7,467,451 Rights Shares, respectively, which represents their full provisional entitlements related to the total of 327,547,327 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 agree 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 6,763,548 Rights Shares, 309,796,103 Rights Shares, 3,520,225 Rights Shares, and 7,467,451 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.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

As of the Latest Practicable Date, the Irrevocable Undertakings provided by Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited remain valid and effective. However, having considered the legal advice obtained from the PRC legal adviser, the Directors are of the view that it is necessary and expedient, for the purpose of the Rights Issue, to exclude Mr. Wang from participating in the Rights Issue. For details, please refer to the section headed “Letter from the Board — Rights of Overseas Shareholders” in this Prospectus. Given Mr. Wang’s practical inability to participate in the Rights Issue, he shall be released from the relevant obligations under the Irrevocable Undertaking solely to the extent relating to the subscription of the Rights Shares. All other undertakings therein provided by Mr. Wang shall remain fully binding and enforceable.

Accordingly, assuming (i) there is no change to the total issued share capital of the Company on or before the Record Date, and (ii) Mr. Wang, Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited

agree not to dispose of, or make arrangements to dispose of, any of the Shares currently held, the minimum number of Rights Shares to be subscribed under the Rights Issue will be 320,783,779 Shares.

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 Wednesday, 13 August 2025.

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 discount of approximately 1.96% to the closing price of HK\$0.2040 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 0.50% to the average closing price of approximately HK\$0.2010 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 discount of approximately 0.79% to the average closing price of approximately HK\$0.2016 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 7.53% over the closing price of HK\$0.186 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (v) a discount of approximately 1.82% to the theoretical ex-rights price of approximately HK\$0.2037 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.2040 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 0.15%, which is calculated based on the theoretical diluted price of approximately HK\$0.2037 per Share to the benchmarked price of approximately HK\$0.204 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 closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Announcement);
- (vii) 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 Latest Practicable Date (i.e. 8,224,974,706 Shares); and
- (viii) 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 of the 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 Latest Practicable Date (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 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 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 twelve (12) existing 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 PRC Southbound Trading Investors

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at the Latest Practicable Date, China Clear held 2,472,658,200 Shares, representing approximately 30.05% of the total issued Shares.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares or transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

The Company will file the Prospectus Documents with the CSRC in accordance with the CSRC Notice and after the Company completes such filing, the PRC Southbound Trading Investors may participate in the Rights Issue through China Clear.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates set out in the Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

Rights of the Overseas Shareholders

Save for Mr. Wang who is the PRC Shareholder, based on the register of members of the Company as of the Latest Practicable Date, there is no Shareholder with registered addresses situated outside Hong Kong.

As at the Record Date, Mr. Wang, the PRC Shareholder, who beneficially held 81,162,586 Shares, amounting to approximately 0.99% of the issued share capital of the Company.

The Company notes that PRC laws may impose certain restrictions on the PRC Shareholder. In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company has consulted its PRC legal adviser regarding the feasibility of extending the Rights Issue to the PRC Shareholder. The Company is of the view that, due to legal restrictions or prohibitions

under the laws of the relevant jurisdictions, or any requirements imposed by the relevant regulatory authorities or stock exchanges in such jurisdictions, it would be necessary or expedient not to offer the Rights Shares to such PRC Shareholder. Accordingly, extending the Rights Issue to the PRC Shareholder without compliance with the relevant registration, exemption or other legal formalities would result in a breach of PRC laws and regulations by the Company. Therefore, Mr. Wang is a Non-Qualifying Shareholder and the Rights Issue will not be extended to him.

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 on a pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own 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 HKSCC and HKSCC 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 Unsubscribed Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. 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.

On 30 July 2025, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best-effort

basis, procure, by not later than 4:00 p.m. on Monday, 15 September 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares that are not placed will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 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 Wednesday, 24 September 2025.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched by ordinary post on or before Wednesday, 24 September 2025 at the respective Shareholders' own risk.

Non-underwritten basis

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees, who are independent of, and not acting in concert with, Hope Education Investment Limited and parties acting in concert with it, under the Unsubscribed Arrangements. Any Unsubscribed Rights Shares that remain not placed under the Unsubscribed Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. Subject to fulfillment of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the ultimate subscription level.

By conducting the Rights Issue on a non-underwritten basis, the Company aims to encourage shareholder participation while minimising any unacceptable dilution of shareholdings. The Board has also considered other debt and equity fundraising alternatives, details of which are set out in the section headed “Reasons for the Rights Issue and the Intended Use of Proceeds”. Having taken these factors into account, the Board considers that the Rights Issue on a non-underwritten basis is fair and reasonable and in the interests of the Company and its shareholders as a whole.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5) of the Listing Rules.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 4 September 2025 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable — Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an

account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**XJ INTERNATIONAL HOLDINGS CO., LTD. — PAL**" and crossed "**ACCOUNT PAYEE ONLY**". Such payment will constitute acceptance of the provisional allotment of Rights Shares on the terms of the Prospectus Documents and subject to the memorandum and articles of association of the Company. Any payments for the Rights Shares should be rounded up to nearest cent.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 4 September 2025 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed "Expected Timetable — Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares" in this Prospectus), whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer all or part of their rights to more than one person (not as joint holders), the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 27 August 2025 to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company is not obliged to but may (at its sole and absolute discretion) treat PAL(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete such incomplete PAL(s) at a later stage.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Qualifying Shareholders must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to such applicant only if the overpaid amount is HK\$100 or above.

No receipt will be given in respect of any PAL and/or relevant application monies received. If any of the conditions of the Rights Issue as set out in the section headed "Letter from the Board — The Rights Issue — Conditions of the Rights Issue" is not fulfilled at or before 4:00 p.m. on Thursday, 18 September 2025 (or such later date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar, Computershare Hong Kong Investor Services Limited, on or before Wednesday, 24 September 2025.

THE PLACING AGREEMENT

Based on the legal advice obtained from the PRC legal adviser, the Directors are of the view that, for the purpose of the Rights Issue, it is necessary and expedient to exclude Mr. Wang from participating in the Rights Issue.

Accordingly, the Company and the Placing Agent executed a side letter on 21 August 2025, pursuant to which the parties to the Placing Agreement agreed to revise the maximum number of Unsubscribed Rights Shares from 464,973,996 to 471,737,544. The revised figure represents all the Rights Shares other than the 320,783,779 Rights Shares that have been undertaken to be subscribed by Hope Education Investment Limited, Tequ Group (Hong Kong) Company Limited, and Maysunshine Holdings Limited pursuant to the Irrevocable Undertakings.

This side letter constitutes a supplemental agreement to the Placing Agreement and shall be read in conjunction with it. Save as amended by the side letter, all other terms and conditions of the Placing Agreement remain unchanged and in full force and effect.

The principal terms of the Placing Agreement are summarized below:

Date: 30 July 2025

Issuer: The Company

Placing Agent: Orient Securities Limited was appointed as the placing agent to place, or procure the placing of, a maximum of 471,737,544 Unsubscribed Rights Shares (being all the Rights Shares other than the 320,783,779 Rights Shares that have been undertaken to be subscribed by 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, Hope Education Investment Limited and parties acting in concert with it.

Placing Period: The period from Monday, 8 September 2025 up to 4:00 p.m. on Monday, 15 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), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates, and independent of, and not acting in concert with, Hope Education Investment Limited and parties acting in concert with it.
Ranking of the Unsubscribed Rights Shares:	The placed Unsubscribed Rights Shares (when allotted, issued and fully paid, if any) shall rank <i>pari passu</i> 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:	<p>The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:</p> <ul style="list-style-type: none"> (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares; (ii) 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 (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events. <p>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.</p>

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) of the Listing Rules 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.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (1) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies 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;

- (2) following registration, the Prospectus Documents having been made available to the Qualifying Shareholders (and where applicable, the Prospectus having been made available 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;
- (3) 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;
- (4) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (5) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Thursday, 18 September 2025 (or such later date as the Company may determine), the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

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\$135.51 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 Latest Practicable Date, there are Convertible Bonds with an outstanding aggregate principal amount of US\$271.1 million 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 Tequ Mayflower Limited 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 Latest Practicable Date, the Company has already obtained electronic consent from the beneficial owners on the definitive terms of the above proposal, and the eligibility condition was also satisfied. The supplemental agency agreement and the supplemental trust deed were executed on 30 July 2025. For details, please refer to the announcements of the Company dated 18 July 2025 and 30 July 2025.

Below is the expected timeline for the Early Redemption and payment of the consent fee:

Events	Expected Date
<i>Payment Date</i>	
Payment of the Consent Fee	15 September 2025
<i>Restructuring Effective Date</i>	
The time when the Issuer may redeem the Convertible Bonds pursuant to the Early Redemption	16 September 2025
<i>Settlement Date</i>	
Payment of settlement amount pursuant to the Early Redemption	30 September 2025

In addition to the Rights Issue, the Company intends to utilize (i) approximately RMB820 million received up to the Latest Practicable Date, and (ii) an estimated RMB319 million expected to be received by the end of September 2025, from the disposals of certain educational institutions, to fulfill its payment obligations in respect of the remaining outstanding Convertible Bonds.

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 on a non-underwritten basis 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 non-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\$135.51 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 Latest Practicable Date.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the Latest Practicable Date and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the legal advice obtained from the PRC legal adviser, the Directors are of the view that it is necessary and expedient, for the purpose of the Rights Issue, to exclude Mr. Wang from the Rights Issue.

Accordingly, Mr. Wang is practically unable to perform his obligations under the Irrevocable Undertaking and shall be released and discharged from all obligations under the Irrevocable Undertaking.

As at the Latest Practicable Date, Mr. Wang beneficially held 81,162,586 Shares, amounting to approximately 0.99% of the issued share capital of the Company. The Board confirms that Mr. Wang's inability to perform his obligations under the Irrevocable Undertaking will not have any material impact 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 Latest Practicable Date;
- (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 320,783,779 Rights Shares that have been undertaken to be subscribed by 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 Unsubscribed Arrangements; and (c) 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 320,783,779 Rights Shares that have been undertaken to be subscribed by 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 Unsubscribed 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 are exercised; other than the 320,783,779 Rights Shares that have been undertaken to be subscribed by 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 Unsubscribed Arrangements; and (d) 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**”).

	As of the Latest Practicable Date		Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	Number of Shares	Approximate Shareholding Percentage	Number of Shares	Approximate Shareholding Percentage	Number of Shares	Approximate Shareholding Percentage	Number of Shares	Approximate Shareholding Percentage	Number of Shares	Approximate Shareholding Percentage
Shareholders										
Hope Education Investment Limited (Note 1)	3,717,553,240	45.20%	4,027,349,343	45.23%	4,027,349,343	47.13%	4,027,349,343	45.20%	4,027,349,343	40.97%
Maysunshine Holdings Limited (Note 1)	89,609,414	1.09%	97,076,865	1.09%	97,076,865	1.14%	97,076,865	1.09%	97,076,865	0.99%
Tequ Group (Hong Kong) Company Limited	42,242,703	0.51%	45,762,928	0.51%	45,762,928	0.54%	45,762,928	0.51%	45,762,928	0.45%
Director										
Mr. Wang (Note 1)	81,162,586	0.99%	81,162,586	0.91%	81,162,586	0.95%	81,162,586	0.91%	81,162,586	0.83%
The Placees	—	—	—	—	—	—	364,630,779	4.09%	—	—
Other public Shareholders	4,294,406,763	52.21%	4,652,273,994	52.26%	4,294,406,763	50.24%	4,294,406,763	48.20%	5,579,687,936	56.76%
Total	8,224,974,706	100.00%	8,903,625,716	100.00%	8,545,758,485	100.00%	8,910,389,264	100.00%	9,831,039,658	100.00%

Note:

- 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). 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. 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).

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this letter.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the 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.

Yours faithfully,
For and on behalf of the Board
XJ International Holdings Co., Ltd.

A handwritten signature in black ink, reading "Zhang Bing". The signature is written in a cursive, flowing style with a large, prominent 'Z' and 'B'.

Mr. Zhang Bing
Chairman and non-executive Director