THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed security dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhong Jia Guo Xin Holdings Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed security dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information only and does not constitute an invitation or offer to Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

Distribution of this circular into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this circular comes should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this circular nor any copy thereof may be released into or distributed in the United States or any other jurisdiction where such release or distribution might be unlawful. The securities referred to herein have not been, and will not be, registered under the US Securities Act of 1933 (the "**US Securities Act**") or the laws of any state or jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from, or transaction not subject to, the registration requirements of the US Securities Act and applicable state laws. The Company does not intend to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Zhong Jia Guo Xin Holdings Company Limited
中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE; AND (2) NOTICE OF SGM

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

道勤
資本
DILIGENT CAPITAL

Placing Agent

元庫證券
SILVERBRICKS SECURITIES

Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 10 to 38 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 39 of this circular. A letter from the Independent Financial Adviser, containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 40 to 71 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Monday, 24 November 2025. Dealings in the Rights Shares in nil paid form are expected to take place from Friday, 5 December 2025 to Friday, 12 December 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 5 December 2025 to Friday, 12 December 2025 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its own professional advisers.

A notice convening the SGM to be held at 22/F., Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 20 November 2025 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or the adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Shares together with the NQS Unsold Shares will be placed to independent placees on a best effort basis under the Placing. Any Unsubscribed Shares or NQS Unsold Shares which are not placed under the Placing 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.

31 October 2025

CONTENTS

The expected timetable for the Rights Issue and the Placing and the associated trading arrangement is set out below. The expected timetable is subject to the results of the SGM and satisfaction of the conditions and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Events	**Date and time** (Hong Kong time)
Latest time for lodging transfer of shares to qualify for attendance and voting at the SGM	4:30 p.m. on Thursday, 13 November 2025
Closure of register of members (both days inclusive)	Friday, 14 November 2025 to Thursday, 20 November 2025
Latest time for lodging proxy forms for the SGM	11:00 a.m. on Tuesday, 18 November 2025
Record date for attendance and voting at the SGM	Thursday, 20 November 2025
Expected time and date of the SGM to approve the Rights Issue	11:00 a.m. on Thursday, 20 November 2025
Announcement of the poll results of the SGM	Thursday, 20 November 2025
Register of members re-opens	Friday, 21 November 2025
Last day of dealings in the Shares on cum-rights basis relating to the Rights Issue	Friday, 21 November 2025
First day of dealings in the Shares on ex-rights basis relating to the Rights Issue	Monday, 24 November 2025
Latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 25 November 2025
Closure of register of members for the Rights Issue (both days inclusive)	Wednesday, 26 November 2025 to Tuesday, 2 December 2025
Record date for the Rights Issue	Tuesday, 2 December 2025

Events	Date and time (Hong Kong time)
Register of members of the Company re-opens	Wednesday, 3 December 2025
Despatch of Prospectus, PAL and NPR	Wednesday, 3 December 2025
First day of dealings in nil-paid Rights Shares	Friday, 5 December 2025
Latest time for splitting the PALs	4:30 p.m. on Tuesday, 9 December 2025
Last day of dealing in nil-paid Rights Shares	Friday, 12 December 2025
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 17 December 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:30 p.m. on Wednesday, 17 December 2025
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 24 December 2025
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Monday, 29 December 2025
Latest time of placing of Unsubscribed Rights Shares and Unsold Rights Shares subject to Compensatory Arrangements	4:00 p.m. on Tuesday, 6 January 2026
Latest Time for Termination of the Placing Agreement	5:00 p.m. on Wednesday, 7 January 2026
Announcement of results of the Rights Issue	Thursday, 8 January 2026
Despatch of share certificates for fully-paid Rights Shares and refund cheques, if any, if the Rights Issue is terminated	Friday, 9 January 2026
Commencement of dealings in fully-paid Rights Shares	Monday, 12 January 2026

Events	Date and time (Hong Kong time)
Designated broker commences to provide matching services for odd lots of Shares	Monday, 12 January 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Friday, 16 January 2026
Designated broker ceases to provide matching services for odd lots of Shares	Thursday, 29 January 2026

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this circular are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance falls. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(ii) 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 warning 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" in this circular may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

"Announcements"	the announcements of the Company dated 15 September 2025 and 17 September 2025, in relation to, among other matters, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday and Sunday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Zhong Jia Guo Xin Holdings Company Limited (Stock code: 899), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Compensatory Arrangements"	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed "Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" in this circular
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Controlling Shareholder(s)"	has the same meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, namely Dr. Liang Jinxiang and Mr. Wong Chun Peng Stewart, which has been established to advise the Independent Shareholders in respect of the Rights Issue
"Independent Financial Adviser"	Diligent Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance being the independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Rights Issue and the transaction contemplated thereunder
"Independent Shareholder(s)"	any Shareholder(s) who is (are) not required to abstain from voting on the resolution relating to the Rights Issue at the SGM under the Listing Rules
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
"Last Trading Day"	15 September 2025, being the last trading day of the Shares on the Stock Exchange before the release of the announcement dated 15 September 2025 in relation to, among other matters, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
"Latest Practicable Date"	27 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Latest Time for Acceptance"	4:00 p.m. on 17 December 2025, being the latest time for acceptance of the offer of and payment for the Rights Shares
"Latest Time for Termination"	5:00 p.m. on 7 January 2026, or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement

"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Net Gain"	the premium paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
"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 (including the Non-Qualifying Shareholder in respect of NQS Unsold Rights Shares)
"Non-Qualifying Shareholder(s)" or "NQS"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"NQS Unsold Rights Shares"	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placee(s)"	institutional, corporate or individual investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares pursuant to the Placing Agreement

"Placing"	the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
"Placing Agent"	Silverbricks Securities Company Limited, a corporation to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO
"Placing Agreement"	the placing agreement dated 15 September 2025 entered into between the Company and the Placing Agent in relation to the Placing
"Placing Arrangement"	conditional Placing Agreement dated 15 September 2025 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
"Placing Period"	the period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, which is expected to be 29 December 2025, and ending at 4:00 p.m. on 6 January 2026
"PRC"	the People's Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus to be issued to the Shareholders containing details of the Rights Issues
"Prospectus Documents"	collectively, the Prospectus and the PAL
"Prospectus Posting Date"	3 December 2025, or such other date as the Company may determine, being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
"Qualifying Shareholder(s)"	Shareholders, other than Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date

"Record Date"	2 December 2025 or such other date as may be determined by the Company, being the date by reference to which the Shareholders' entitlements to participate in the Rights Issue will be determined
"Refund Package"	as defined in the announcement dated 6 December 2024, the arrangement proposed by the vendor, i.e. Beijing Zhongtou Chuangzhan Land Company Limited* (北京中投創展置業有限公司) and accepted by the purchaser, i.e. Shenzhen Weisidun Investment Development Company Limited* (深圳威斯頓投資發展有限公司)
"Registrar"	Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Issue"	the proposed issue of the Rights Shares by way of rights on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
"Rights Share(s)"	up to 296,772,672 Shares (assuming no change in the number of issued Shares on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.146 per Rights Share under the Rights Issue
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers

"Unsubscribed Rights Share(s)"	any of the Rights Shares which have not been subscribed by the Qualifying Shareholders or transferees of nil-paid Rights Shares by the Latest Time for Acceptance
"%"	per cent

* *For identification purpose only*

Zhong Jia Guo Xin Holdings Company Limited
中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

Executive Directors:
Mr. Chan Wai Fung *(Chief Executive Officer)*
Ms. Yau Ho Yi

Non-Executive Director:
Ms. Jiang Xiaojun

Independent Non-Executive Directors:
Dr. Liang Jinxiang
Mr. Wong Chun Peng Stewart

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
21/F, CMA Building
64–66 Connaught Road Central
Central
Hong Kong

31 October 2025

To the Qualifying Shareholders, and for information only, to the Non-Qualifying Shareholders,

Dear Sir or Madam,

(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE; AND (2) NOTICE OF SGM

INTRODUCTION

References are made to the Announcements of the Company, in relation to, among other matters, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder. The purpose of this circular is to provide you with, among other things, (i) further information regarding the Rights Issue and the Placing Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder; (iv) other information required under the Listing Rules; and (v) the notice of the SGM.

PROPOSED RIGHTS ISSUE

The Board proposes, to conduct the Rights Issue on the basis of two (2) Rights Shares for every one (1) Share held as at the Record Date. Set out below are the details of the Rights Issue statistics.

Rights Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.146 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	148,386,336 Shares
Maximum number of Rights Shares to be issued	:	Up to 296,772,672 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) The aggregate nominal value of the Rights Shares will be HK$2,967,726.72
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	445,159,008 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK$0.1373 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK$43.33 million
Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK$40.75 million

Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. The Company has no intention to issue or grant any Shares, convertible securities and/or options on or before the Record Date.

Assuming there is no change to the total issued capital of the Company on or before the Record Date, 296,772,672 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Right Shares.

The Subscription Price

The Subscription Price is HK$0.146 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

(i) a discount of approximately 37.87% to the closing price of HK$0.2350 per Share as quoted on Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 33.64% to the closing price of HK$0.2200 per Share as quoted on Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 35.23% to the closing price of approximately HK$0.2254 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 42.59% to the average closing price of approximately HK$0.2543 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 14.45% to the theoretical ex-rights price of approximately HK$0.1707 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.2200 per Share as quoted on the Stock Exchange on the Last Trading Day;

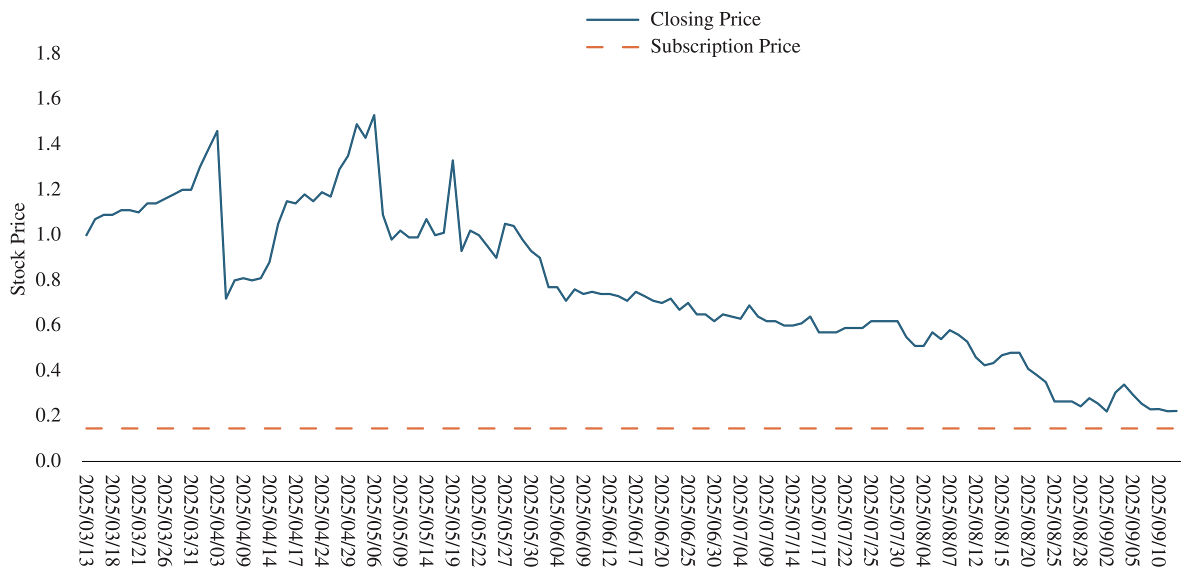
(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.78%, which is calculated based on the theoretical diluted price of approximately HK$0.1748 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the 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 Last Trading Day); and

(vii) a discount of approximately 97.87% to the net asset value of the Company of approximately HK$6.8668 per Shares based on the net asset value attributable to owners of the Company of approximately HK$1,018,945,000 as at 31 March 2025 and 148,386,336 Shares.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section headed "Reason for the Rights Issue and the use of proceeds" in this circular; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

The Subscription Price was determined by the Directors with reference to (i) the prevailing market price of the Shares during the six months immediately preceding the Last Trading Day (the "**Review Period**") which presented a range from the HK$0.178 to HK$0.236 from 13 March 2025 to 6 May 2025 and a downward slope from 6 May 2025 to the Last Trading Day it recorded a range of HK$1.53 to HK$0.223; (ii) the current market conditions in Hong Kong taking into consideration the rather cautious investment sentiment of the general public investors in Hong Kong amid economic uncertainties; (iii) low liquidity of the Shares during the Review Period with the average daily trading volume of approximately 550,527 Shares, representing approximately 0.371% of the total number of issued Shares as at the Last Trading Day; and (iv) the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed "Reason for the Rights Issue and the use of proceeds" below in this circular.



Source: The website of the Stock Exchange

During the Review Period, the Shares listed on the Stock Exchange achieved the highest closing price of HK$1.53 on 6 May 2025, while the lowest closing price of HK$0.221 was recorded on 2 September 2025. The average closing price for the Shares during the Review Period was approximately HK$0.771 ("**Review Trading Price**").

The Subscription Price reflects a discount of approximately 37.87% to Latest Practicable Date of HK$0.235. The Directors (including the independent non-executive Directors) consider that the discount of the Subscription Price would encourage Qualifying Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. In light of the above, the Directors (including the independent non-executive Directors) consider that the Subscription Price, are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

Set out below is the table showing (i) the monthly total trading volume of the Shares; (ii) the number of trading days of each month; (iii) the average daily trading volume of the Shares; and (iv) the percentage of the average daily trading volume of the Shares to the total issued Shares at the end of each month during the Review Period:

Period/Month	**Monthly trading volume of the Shares** *(Shares)*	**Number of trading days in the month** *(days)*	**Average daily trading volume of the Shares in the month** *(Shares)* *(Note 1)*	**Percentage of average daily trading volume of the Shares to total number of Shares** *(approximate)* *(Note 2)*
From 13 March 2025 to 31 March 2025	2,098,281	13	161,406	0.123%
April	6,482,354	19	341,177	0.260%
May	19,883,508	20	994,175	0.757%
June	3,698,512	21	176,120	0.119%
July	12,536,630	22	569,847	0.384%
August	11,585,492	21	551,690	0.372%
Up to 14 September 2025	9,533,444	9	1,059,272	0.714%

Source: Website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the period/month by the number of trading days in the respective period/month.

2. Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month.

During the Review Period, the monthly trading volume of the Shares varied significantly. It ranged from a low of 3,698,512 Shares traded in June 2025 to a peak of 19,883,508 Shares traded in May 2025. This represents approximately 0.0119% of the total issued Shares for the lowest volume and approximately 2.22% for the highest volume ("**Review Trading Volume**").

The six-month review period was deemed appropriate by the Directors as it provides a balanced and representative time frame to assess the historical trading performance of the Shares while accounting for recent market trends. This duration captures sufficient market data to reflect both stable and volatile periods, ensuring that the Subscription Price is determined based on a comprehensive analysis rather than short-term fluctuations. The inclusion of the six-month period allows for a fair evaluation of the Shares' price range, liquidity conditions, and overall market sentiment, thereby supporting a well-informed and reasonable pricing decision that aligns with the Company's fundraising objectives and shareholder interests.

As at 31 March 2025, the Company had net assets of approximately HK$1,018,945,000, which was contributed by non-current assets of approximately HK$1,112,684,000, current assets of approximately HK$112,919,000, assets classified as held for sale of approximately HK$162,544,000 and total liability of approximately HK$369,202,000, although the Company had net assets of approximately HK$1,018,945,000, which gave the Company a low liquidity. Moreover, the Shares of the Company were traded at a discount of approximately 96.7% to 77.7% to the net assets value per Share during the Review Period, indicating that investors might not value the Shares solely on the Group's net assets, therefore, the net assets value per Share may not be a meaningful benchmark for assessing the fairness and reasonableness of the Subscription Price. Furthermore, setting the Subscription Price at or near the net assets value per Share would imply a substantial premium to prevailing market price, which would not be in commercial term and would likely depress the Shareholders' participation in the Rights Issue and undermine the objective of raising fund.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance 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 under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Compensatory 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.

After due consideration, the Board decided to proceed with the Rights Issue on a non-underwritten basis. The Board after approaching 3 other potential placing agents and underwriters (collectively, the "**Potential Agents**") that a fixed fee of HK$1.5 million plus an underwriting commission of 7%, asked by one of the Potential Agents and was given to understand that two of these Potential Agents were not interested in assisting the matter and rejected to offer any term, concluded that the substantial costs of a fully underwritten issue which would be substantially higher than the proposed placing commission of the Rights Issue, were not commercially justified, given that the Company's existing Shareholder base, the substantial costs associated with appointing an external underwriter, especially given the strategic decision to first offer the shares to the existing Shareholder.

To facilitate the raising of proceeds and to address the risk of unsubscribed shares, the Company has appointed a Placing Agent. The Placing Agent will use its reasonable endeavours to procure placees for any unsubscribed Rights Shares. The Board is of the view that this structure, combining a Rights Issue to existing Shareholders and placing of any unsubscribed shares, represents a more flexible and cost-effective method to raise the required capital.

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 to the note to Rule 7.19(5) of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

(i) the passing by the Independent Shareholders at the SGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(ii) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

(iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;

(iv) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and

(v) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions precedent by the Latest Time for Termination or such other date as the Company and the Placing Agent may agree.

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.

Basis of provisional allotments

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) Share 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.

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.

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 Overseas Letter with the Prospectus, for information only, to the Non-Qualifying Shareholders.

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 Tuesday, 25 November 2025.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below. The Board will comply with Rule 13.36(2)(a) of the Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK$100 for its own benefit.

Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the Rights Shares in nil-paid form that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

Based on the register of members of the Company, as at the Latest Practicable Date, the Company has 5 Overseas Shareholder.

The Company reserves the right to treat as invalid any acceptance of or applications 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. Accordingly, Non-Qualifying Shareholders should exercise caution when dealing in the Shares.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Listing Rule. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to take part in the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the securities of the Company.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out above, 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 Friday, 9 January 2026.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched on or before Friday, 9 January 2026 by ordinary post at the respective Shareholders' own risk.

Fractional Entitlements to the Rights Shares

Rights Shares in provisional allotment will be rounded down to the nearest whole number. No fractional Rights Shares shall be issued under the Rights Issue. All fractions of the Rights Shares will be aggregated and placed by the Placing Agent under the Compensatory Arrangements to Independent Third Parties for the benefit of the Company.

Odd lots matching services

Upon completion of the Rights Issue, the board lots of the Company will remain as 10,000 Shares. In order to facilitate the trading of odd lots (if any) of the Shares as a result of the Rights Issue, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holdings of odd lots of the Shares. Further details in respect of the arrangement of odd lot trading will be set out in the Prospectus.

Shareholders should note that the matching of the sale and purchase of odd lots of Shares is not guaranteed. Shareholders who are in any doubt about the odd lot matching arrangement are recommended to consult their own professional advisers.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 10,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

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.

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

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.

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 and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. 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.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action 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 Tuesday, 6 January 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price can be obtained. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement 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 No-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

The Placing Agreement

On 15 September 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to, on a best effort basis, procure Placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies), to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date	:	15 September 2025 (after trading hours)
Issuer	:	the Company

Placing Agent	:	Silverbricks Securities Company Limited, appointed as the bookrunner and placing agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis. The Placing Agent confirmed that it is a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO. As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Price	:	The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be at least equal to the Subscription Price and the final price will be determined following the latest time for acceptance of the Rights Shares, and nil-paid rights trading period of the Rights Issue. The determination of the Placing Price will be based on an assessment of the market reaction to and demand for the Rights Issue, as evidenced by the level of applications received from shareholders and the trading activity of the nil-paid rights.
Placing Period	:	The period from Monday, 29 December 2025 up to 4:00 p.m. on Tuesday, 6 January 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Placing Commission	:	Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which the Placing Agent successfully places.
Placees	:	The Placees shall be any individual, corporate, 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.

		The Placing Agent shall also ensure that (i) the public float requirement under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon the completion of the Rights Issue; and (ii) the placees, and whose ultimate beneficial owner(s), (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the completion of the Rights Issue.
Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares	:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the Latest Practicable Date.
Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable): (i) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares; (ii) the approval of the Rights Issue and the transactions contemplated thereunder (including the Placing Agreement) by more than 50% of the Independent Shareholders at the SGM by way of poll;

(iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (i), (ii) and (iii) above) by notice in writing to the Company.

Termination : The Placing Period shall end at 4:00 p.m. on Tuesday, 6 January 2026 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by the Placing Agent at any time prior to Latest Time for Termination or any other date by mutual written agreement between the Placing Agent and the Company in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. Further, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the reasonable opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

The Company shall use its best endeavours to procure the fulfillment of such conditions precedent to the Placing Agreement by the Latest Time for Termination. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Latest Time for Termination or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfillment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions including the Review Trading Price and Review Trading Volume that the Review Trading Price exhibits the downtrend of the market price of the Shares and the Review Trading Volume exhibits extreme illiquidity of the Shares, the Board considers the terms of the Placing for the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable which was determined after arm's length negotiation between the Placing Agent and the Company with reference to the commission rate charged in the light of other rights issue cases in the market in 2025 (as shown below-stated comparison with companies of similar market capitalisation and/or gross proceeds completed rights issue in 2025 on a best-efforts basis). The proposed 5% placing commission rate, while at the upper end of the observed range, is considered to be in line with prevailing market rates and given the exhibited extreme illiquidity of the Shares, higher commission rate may be necessary to motivate the Placing Agent to procure potential investors are on normal commercial terms and are fair and reasonable.

Date of initial announcement	**Company name**	**Stock code**	**Basis of entitlement**	**Market capitalisation on the Last Trading Date** *(HK$ million)*	**Amount of maximum gross proceeds** *(HK$ million)*	**Placing commission rate**
17/1/2025	Wan Kei Group Holdings Limited	1718	1 for 1	26.73	23	3.00%
7/2/2025	Stream Ideas Group Limited	8401	2 for 1	19.9	40.8	3.00%
14/3/2025	Good Fellow Healthcare Holdings Limited	8143	1 for 1	24.8	28.2	1.00%
29/4/2025	C Cheng Holdings Limited	1486	1 for 2	68.6	14.4	3.00%
7/5/2025	SEEC Media Group Limited	205	1 for 2	94.2	40.5	3.00%
23/5/2025	Pinestone Capital Limited	804	3 for 2	145.3	60.7	5.00%

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to independent Placees on a best effort basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the (i) water business; (ii) property development and investment business; and (iii) mining business in the People's Republic of China.

For the year ended 31 March 2025, the Company recorded revenue of approximately HK$4.9 million from sales of bottled mineral water. The Company intends to invest more resources in our water business to increase its revenue and to broaden its revenue stream by entering mass-market segment via e-commerce scale and retail partnerships and exploring the opportunity to anchor scalable B2B clients in the PRC. The Company intends to actively explore (i) strategic partnerships by investing not more than HK$7 million to acquire the majority stake of potential B2B redistributor or supply chain company which possesses national retail chains with different sales channels as to penetrate our water product to mass-market and (ii) collaborations with instant retail platforms to meet evolving consumer demand for convenience. Furthermore, the Company shall focus on product diversification, among others, developing custom bottled water for B2B clients and developing OEM clients to capture growth in various market segments of our water business.

Reference is made to the announcement published by the Company on 31 July 2025 that on 16 July 2025, the Company received a statutory demand from the solicitors acting on behalf of the creditor pursuant to section 178(1)(a) or section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), demanding the Company pays the creditor the aggregate total amount of HK$11,123,440.00, being the outstanding service fee payable to the creditor in respect of service agreements entered into between the creditor and the Company (the "**Statutory Demand**"). The Company obtained a loan in total of HK$7.5 million from an independent third party to discharge the liability and avert further legal consequences, to avoid the increase in interest expense, the Board agreed that expedited repayment of the loan is prudent to avoid the accrual of additional interest. Reference is made to the announcement published by the Company on 29 September 2025 that the Statutory Demand was settled, it is considered that there is no longer any ground on the basis of the Statutory Demand to present any winding-up petition to seek a court order to wind up of the Company.

As at 31 March 2025, the Company had amount due to non-controlling interests of approximately HK$15.6 million. On 1 August 2025, the Company received a demand note of the amount due to a non-controlling interests of Good Union (China) Limited approximately HK$15.6 million, the amount is unsecured, interest free and repayable on demand. As at the Latest Practicable Date, the Company has other payables of approximately HK$0.125 million due to a retired director and accruals of approximately HK$2.934 million due to the professional fees which are still in dispute.

The Company currently has two mines, namely the Jiuyuan Mine and the Jinhao Mine. Both require maintenance before operations can commence, primarily due to damage caused by Typhoon Yagi in September 2024 and the ongoing process of obtaining the necessary mining licenses. Approximately HK$4.00 million from the net proceeds is intended to be used as initial funding to commence maintenance and resume the production of Jiuyuan Mine. Reference is made to the announcement published on 11 September 2025. The Company estimates that Jiuyuan Mine requires RMB5 million to RMB7 million to fund training programs, compliance documentation, tailings upgrades, ecological assessments, offsets, and revisions necessary for commencing production. The new additional assessments to fulfill the supplementary verbal instructions from local regulators in early 2025 for the commercial operations of the Jiuyuan Mine which expected first feedback from the local regulators in Q4 2025, is still pending for result. While, (i) the project loans with local financial institutions, (ii) two previously contacted potential partners and (iii) government special-fund are still in discussion without further concrete progress. The Company is now using its best endeavour to advance to detailed term sheet negotiations concerning the formation of a strategic co-development and comarketing joint venture with these potential partners and further discussion with local financial institutions and government.

As the Rights Issue is on a non-underwritten basis, in the light of the risk of not receiving the full amount of the consideration, the Company shall utilise its internal resources to cover the necessary costs for the Jiuyuan Mine. These internal resources are primarily reallocated from property business rentals and operational cash flow from the water business and supplemented by partial receipts from the Refund Package which is currently unutilised and kept in bank accounts as at the Latest Practicable Date and it is expected that the Group will be able to receive the consideration of RMB150,000,000 for the disposal of Century Strong Limited, the company holding properties in Yantian, Shenzhen, PRC, by the end of 2025. Taking into account of abovementioned potential investment and repayment, in light of the prevailing financial conditions of the Group, the Directors intends to apply approximately HK$6 million for enhancing the general working capital of the Group.

After the Board considered (i) the potential negative impact on the Company's financial position as the long due of trade payables and the other payables, and (ii) the necessary cash balance for the Group to sustain business operations, (iii) strives to explore the possibility of broadening its revenue stream, the Company intends to apply the net proceeds from the Rights Issue as follows:

Intended use of proceeds

Assuming there will be no change in the total number of issued Shares from the date of the Latest Practicable Date to and including the Record Date, the maximum gross proceeds to be raised from the Rights Issue before expenses will be approximately HK$43.33 million and the maximum net proceeds to be raised from the Rights Issue after expenses will be approximately HK$40.75 million representing a net Subscription Price of approximately HK$0.1373 per Rights Share.

(i) approximately 14.72% of the net proceeds or approximately HK$6.00 million for enhancing the general working capital of the Group, for the Company's Hong Kong office for the upcoming twelve months including staff cost, professional fees, rental payments and other general administrative and operating expenses;

(ii) approximately 59.29% of the net proceeds or approximately HK$24.16 million for the repayment of the part of the trade payables and other payables, among others, the outstanding amount stated-above;

(iii) approximately 16.17% of the net proceeds or approximately HK$6.59 million for the investment of new project for broadening its revenue stream of water business targeting to enhance mass-market penetration and B2B redistribution; and

(iv) approximately 9.82% of the net proceeds or approximately HK$4.00 million for the maintenance and obtaining licenses for the mine business.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund-raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. Additionally, given the loss position of the Company for the recent years, the Company was advised with unfavourable interest rates and financing terms. The Company has contacted 3 potential banks. These banks had rejected the Company's proposed request for loan at a reasonable and affordable rate, with reference to the prevailing lending rate of the Company, based on preliminary review of the losses financial position in past several years. Subject to the potential additional interest burden for the Company, the Directors considered the lengthy due diligence and negotiations with banks as a result of debt financing would be undesirable as the additional borrowings would potentially increase the Company's finance cost in the long run, adding to the increasing trend in the Company's gearing ratio as a whole.

As for equity fund-raising, such as placing of new Shares, the Company had approached 3 potential placing agents and was given to understand that they were not interested in assisting the matter based on preliminary review of the losses financial position in past several years of the Group and the market price and trading volume of the Shares. Moreover, equity fund-raising like subscription or placing of new shares are relatively smaller in scale as compared to fund-raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) 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 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.

As at the Latest Practicable Date, save for the proposed Rights Issue, the Company has no plan or intention to carry out further fundraising activities in the next twelve (12) months.

However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

In the light of determining the terms of the Rights Issue, the Board undertook a comprehensive evaluation of various financing alternatives, taking into account the Company's specific funding requirements, prevailing market conditions, and the objective of minimising dilution and costs for existing shareholders that (i) the structure of rights issue may facilitate timely capital inflow without overburdening the Company's financial health; (ii) the Subscription Price may encourage the participation rate of existing shareholders in subscribing the Rights Shares; and (iii) the rights issue is contrasted with options like convertible bonds, which may dilute the shareholding of existing shareholders upon conversion that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company. This evaluation also included a detailed assessment of a fully underwritten issue, whereby the Board concluded that the substantial underwriting fees involved would significantly diminish the net proceeds available for the Company's strategic initiatives, thereby not being in the shareholders' best interests. The Board has instead secured a more flexible and cost-effective structure by appointing a Placing Agent for the Unsubscribed Rights Shares, thereby maximising the potential proceeds. The Company considers that the terms of Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following is the equity fund-raising activity conducted by the Company in the past 12 months immediately before the Latest Practicable Date:

Date of announcement	Fund-raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
20 May 2025, 4 June 2025 and 11 June 2025	Issue of 170,100,000 new Shares under general mandate	Approximately HK$16.3 million	General working capital (i) Approximately HK$11 million will be utilised for the purpose of repaying such loan financing of the Group used to support the ordinary and usual course of business of the Group and the Group's amount payables; and (ii) The remainder, in the amount of approximately HK$5.3 million, will be utilised for the Company's Hong Kong office for the upcoming twelve months including staff cost, professional fees, rental payments and other general administrative and operating expenses	(i) Fully utilised in accordance with the intended use (ii) Approximately HK$4.3 million utilised in accordance with the intended use

Save as the abovementioned, the Company had not conducted any other equity fundraising exercise in the past 12 months immediately preceding the Latest Practicable Date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (iii) immediately upon completion of the Rights Issue assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing: *(Note 1)*

Name of Shareholders		**As at the Latest Practicable Date**		**Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders**		**Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Unsubscribed Rights Shares and NQS Unsold Rights Shares having been placed by the Placing Agent**	
	Notes	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Yao Jigen	2	24,958,380	16.82%	74,875,140	16.82%	24,958,380	5.61%
Li Jia Yi		23,392,100	15.76%	70,176,300	15.76%	23,392,100	5.25%
Creation Financial Group Limited		11,049,000	7.45%	33,147,000	7.45%	11,049,000	2.48%
Chen Huaijun		7,300,000	4.92%	21,900,000	4.92%	7,300,000	1.64%
Public Shareholders							
– The Placees		–	–	–	–	296,772,672	66.67%
– Other public Shareholders		81,686,856	51.45%	245,060,568	51.45%	81,686,856	18.35%
Total		148,386,336	100.00%	445,159,008	100.00%	445,159,008	100.00%

Notes:

1. These scenarios are for illustrative purposes only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Shares.

2. Yao Jigen personally holds 1,076,000 Shares and Full Tenda Development Limited, a company wholly and beneficially owned by Yao Jigen, holds 23,882,380 Shares. The total number of Shares beneficially owned by Yao Jigen is 24,958,380 Shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 14 November 2025 to Thursday, 20 November 2025 (both dates inclusive) for the purpose of determining the eligibility of the Shareholders to attend and vote at the SGM.

The register of members of the Company will be closed from Wednesday, 26 November 2025 to Tuesday, 2 December 2025 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders by way of poll at the SGM on which any Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company has no Controlling Shareholder. Accordingly, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates (as defined in the Listing Rules), shall abstain from voting in favour of the proposed Rights Issue at the SGM. As at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interest in the Shares.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, the Rights Issue. The notice convening the SGM to be held at 22/F., Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 20 November 2025 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. The register of members of the Company will be closed from Friday, 14 November 2025 to Thursday, 20 November 2025 (both dates inclusive) for the purpose of determining the eligibility of the Shareholders to attend and vote at the SGM. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the SGM.

In order to be registered as a member of the Company on the record date for attendance and voting at the SGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. (Hong Kong time) on Thursday, 13 November 2025.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed (i.e. by 11:00 a.m. on Tuesday, 18 November 2025) for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

In compliance with the Listing Rules, all the resolutions to be proposed at the SGM will be voted on by way of poll at the SGM.

Saved as disclosed in this circular, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Rights Issue at the SGM.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the the Rights Issue by the Independent Shareholders at the SGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Wednesday, 3 December 2025. The Prospectus is being made available and/or despatched (subject to Shareholders' election to receive physical copies) to the Shareholders. A copy of the Prospectus will also be made available on the websites of the Company (www.zhongjiagx.com) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL to them.

The Company will despatch the PAL in printed form to the Qualifying Shareholders but will not despatch the PAL to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that 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 paragraph headed "Conditions of the Rights Issue" in this circular above.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in the Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled 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 party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

RECOMMENDATIONS

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Liang Jinxiang and Mr. Wong Chun Peng Stewart, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. Diligent Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 39 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 40 to 71 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution approving the Rights Issue to be proposed at the SGM.

ADDITIONAL INFORMATION

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

By order of the Board
Zhong Jia Guo Xin Holdings Company Limited
Chan Wai Fung
Executive Director and chief executive officer

Zhong Jia Guo Xin Holdings Company Limited
中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

31 October 2025

To the Independent Shareholders,

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

We refer to the circular of the Company dated 31 October 2025 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM.

Diligent Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 40 to 71 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 10 to 38 of the Circular.

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on page 39 of the Circular, we are of the opinion that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Rights Issue.

Yours faithfully, on behalf of
Independent Board Committee of
Zhong Jia Guo Xin Holdings Company Limited

Liang Jinxiang
Independent non-executive Director

Wong Chun Peng Stewart
Independent non-executive Director

道勤資本有限公司
Diligent Capital Limited
Rm. 2203, 22/F., New World Tower 1,
16–18 Queen's Road Central, Hong Kong

Tel +852 2170 0699
Fax +852 2170 0600

31 October 2025

To the Independent Board Committee and
the Independent Shareholders of
Zhong Jia Guo Xin Holdings Company Limited

Dear Sirs and Madams,

PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue (the "**Transaction**"), particulars of which are set out in the section headed "Letter from the Board" (the "**Letter**") contained in the circular of the Company to the Shareholders dated 31 October 2025 (the "**Circular**"), of which this letter forms part. Unless the contest requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed "Definitions" in the Circular.

1. The proposed Rights Issue

Reference is made to the Letter.

On 15 September 2025, the Company announced its intention to raise gross proceeds of up to approximately HK$43.33 million by issuing up to 296,772,672 Rights Shares, assuming there is no change to the total issued share capital of the Company on or before the Record Date. The Subscription Price is set at HK$0.146 per Rights Share, with the allocation being two (2) Rights Shares for every one (1) Share held by Qualifying Shareholders at the close of business on the Record Date.

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

As of the Latest Practicable Date, there are 148,386,336 Shares in issue. Assuming there is no change to the total issued capital of the Company on or before the Record Date, the maximum number of 296,772,672 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as of the Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue.

As of the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options, convertible securities, or other similar rights that are convertible or exchangeable into Shares.

2. Implications under the Listing Rules

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12 months immediately preceding the Latest Practicable Date, the Rights Issue is conditional on minority Shareholders' approval at the SGM under the requirements of Rule 7.19A of the Listing Rules.

Pursuant to Rule 7.27A(1) of the Listing Rules, where Shareholders' approval is required for rights issue under Rule 7.19A, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As of the Latest Practicable Date, the Company has no controlling shareholder, as defined under the Listing Rules. Additionally, none of the Directors or chief executives of the Company holds any interest in the Shares. Therefore, none of them will be required to abstain from voting in favour of the proposed Rights Issue at the SGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors, namely Dr. Liang Jinxiang and Mr. Wong Chun Peng Stewart, has been established to consider and advise the Independent Shareholders as to whether the terms of the Rights Issue are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of the Listings Rules, our role is to give an independent opinion to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

OUR INDEPENDENCE

We, Diligent Capital Limited ("**Diligent Capital**"), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard, and such appointment has been approved by the Independent Board Committee pursuant to the Listing Rules.

Diligent Capital is a licensed corporation licensed under the Securities and Futures Ordinance ("**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Mr. Felix Huen ("**Mr. Huen**") is the person signing off the opinion letter from Diligent Capital contained in the Circular. Mr. Huen has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2019, and he has participated in and completed various independent financial advisory transactions in Hong Kong.

As of the Latest Practicable Date, we confirmed that there is no relationship or interest between Diligent Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Diligent Capital's independence as set out under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Shareholders in respect of the Transaction.

We are not associated with and have no significant connection, financial or otherwise, with the Company, its subsidiaries, its associates, or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates, or their respective substantial shareholders or associates. We are not aware of any circumstances that would affect our independence or change in our status. Diligent Capital did not provide any service to the Company in the last two years. Accordingly, we consider ourselves eligible to provide independent advice on the terms of the Rights Issue.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries (the "**Management**"). We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true and that all expectations and intentions of the Directors and the Management will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy, and completeness of the information, facts, opinions, and representations provided to us by the Directors and the Management. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration. There are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors and the Management. We have not, however, conducted any independent verification of the information provided, nor have we conducted any independent investigation into the business, financial condition, and affairs of the Company or its prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps which are applicable to the Transaction, as referred to in Rule 13.80 of the Listing Rules (including the notes thereof), in formulating our opinion and recommendation.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Rights Issue, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Background of the Transaction

On 15 September 2025, the Company announced its intention to raise gross proceeds of approximately HK$43.33 million by issuing up to 296,772,672 Rights Shares, assuming there is no change to the total issued share capital of the Company on or before the Record Date. The Subscription Price is set at HK$0.146 per Rights Share, with the allocation being two (2) Rights Shares for every one (1) Share held by Qualifying Shareholders at the close of business on the Record Date.

1.1 Information of the Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which have been listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the holding company of the Group.

(a) Principal business of the Group

The Group is primarily engaged in (i) the production and sale of bottled water; (ii) property and land leasing, development, and investment; and (iii) the mining business in the PRC.

(b) Financial position of the Group

Below is a summary of the Group's (i) audited consolidated financial position as of 31 March 2025 and 31 March 2024, as extracted from the Company's annual report for the year ended 31 March 2025 (the "**2025 Annual Report**"):

	As at 31 March 2025 *HK$'000* (Audited)	As at 31 March 2024 *HK$'000* (Audited)
Non-current assets		
– Investment properties	405,580	731,812
– Property, plant and equipment	129,740	134,231
– Right-of-use assets	296	2,592
– Intangible assets	459,517	567,615
– Interests in associates	14,571	90,000
– Deposits paid	102,980	148,338
Total non-current assets	**1,112,684**	**1,674,588**
Current assets		
– Completed properties held for sale	58,015	62,902
– Inventories	1,266	944
– Trade receivables	1,409	428
– Prepayments, deposits and other receivables	41,168	32,882
– Amount due from an associate	726	739
– Amount due from non-controlling interests	–	2,759
– Financial assets at fair value through profit or loss	1,647	1,434
– Restricted bank deposits	745	757
– Bank balances and cash	7,943	11,737
	112,919	114,582
Assets classified as held for sale	162,544	165,463
Total current assets	**275,463**	**280,045**

	As at 31 March 2025 HK$'000 (Audited)	As at 31 March 2024 HK$'000 (Audited)
Current liabilities		
– Trade payables	47,449	47,133
– Other payables and accruals	110,920	94,052
– Amount due to non-controlling interests	15,612	58,779
– Amounts due to directors	1,225	20,499
– Contract liabilities	47,893	42,811
– Lease liabilities	128	2,320
– Tax payable	1,630	5,510
Total current liabilities	**224,857**	**271,104**
Net current assets	**50,606**	**8,941**
Total assets less current liabilities	**1,163,290**	**1,683,529**
Non-current liabilities	**144,345**	**222,325**
Net assets	**1,018,945**	**1,461,204**

As indicated in the table above, as of 31 March 2025, the Group's total current assets amount to approximately HK$275,463,000. This total primarily includes (i) completed properties held for sale of approximately HK$58,015,000, (ii) prepayments, deposits, and other receivables totalling approximately HK$41,168,000, and (iii) bank balances and cash totaling approximately HK$7,943,000.

The liquidity of the Group's treasury management is significantly influenced by the performance of property sales, which are crucial for meeting repayment obligations and addressing working capital needs. As disclosed in the 2025 Annual Report, the downturn in the PRC property market has caused consumers to adopt a more cautious approach. This shift has resulted in delayed investment decisions and a substantial decline in property sales. The current market conditions have raised concerns that completed properties held for sale may not sell easily, which could adversely impact the Group's treasury planning.

Furthermore, the outstanding balance of other receivables, which amounts to approximately HK$34,754,000, accounts for approximately 84% of the total amount of approximately HK$41,168,000 related to prepayments, deposits, and other receivables. This balance mainly consists of tax prepayments made in the PRC and advance payments for business-related initiatives, for which these amounts cannot be recovered as cash resources and, therefore, are not available for operational use.

In addition, assets classified as held for sale, amounting to approximately HK$162,544,000, are associated with the proposed disposal of Century Strong Limited and the related shareholder's loan, as detailed in a sale and purchase agreement dated 27 April 2023, for RMB150,000,000. However, the purchaser has postponed the completion of this transaction, resulting in an extended deadline for completion until 31 December 2025. As a result, the timing and recoverability of the proceeds from this disposal remain uncertain.

After reviewing the Group's current assets, we have conducted a comprehensive review of the Group's current liabilities. As stated in the table above, as of 31 March 2025, the Group has repayment obligations totaling approximately HK$224.86 million that are due within twelve months. This amount comprises (i) approximately HK$110.9 million in other payables and accruals; (ii) lease liabilities of approximately HK$47.9 million, and (iii) approximately HK$15.6 million owed to non-controlling interests.

As noted above, as of 31 March 2025, the Group has approximately HK$7,943,000 in available cash resources. However, considering the Company's current loss-making position and the annual administrative expenses of approximately HK$29.7 million for FY2025, it appears that these resources may not be sufficient to meet both repayment obligations and operational needs adequately.

As disclosed under the "2.2 Reasons for the Rights Issue," the Group anticipates operating expenses of approximately HK$6 million and mining maintenance and licensing fees of approximately HK$4 million. These operational needs further compound the pressure on liquidity. Therefore, we concur with the Directors' perspective that the Group is currently facing considerable pressure to secure additional funding. We believe that pursuing fundraising opportunities is a prudent and appropriate course of action.

(c) Financial performance of the Group

The following table presents the Group's key audited consolidated financial performance for the years ended 31 March 2025 ("**FY2025**") and 31 March 2024 ("**FY2024**"), as extracted from the 2025 Annual Report.

	For the years ended	
	31 March 2025	**31 March 2024**
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Revenue	20,044	14,160
Gross profit	778	10,945
Loss after taxation	(484,753)	(19,755)

For the FY2025, the Group recorded an audited total revenue of approximately HK$20.04 million, representing a significant increase of approximately 41.55% compared to the revenue of approximately HK$14.16 million for the FY2024. This growth is primarily attributed to the launch of the Group's production and sale of bottled water business, which began in March 2024.

Despite this increase in revenue, the Group experienced a decline in gross profit, which decreased from approximately HK$10.9 million in FY2024 to approximately HK$778,000 in FY2025. This decrease was mainly due to rising costs associated with the bottled water operations.

Additionally, the Group faced considerable challenges due to impairments, resulting in a substantial loss after tax of approximately HK$454.75 million for FY2025, primarily attributed to (i) a loss in the fair value of investment properties of approximately HK$315.97 million; (ii) an impairment loss of approximately HK$83.4 million related to water mining rights, and (iii) an impairment loss of approximately HK$63.9 million concerning investments in associates.

After reviewing the Group's financial performance, we concur with the Directors' view that the cash flow generated from operations may not be sufficient to meet immediate funding requirements, especially for repaying debts and addressing working capital needs.

2. Reasons for and benefits of the Rights Issue and the intended use of proceeds

2.1 The intended use of proceeds from the Rights Issue

Assuming that the Rights Issue is fully accepted and there is no change to the total issued capital of the Company on or before the Record Date, the net proceeds of the Rights Issue (the "**Net Proceeds**") are estimated to be approximately HK$40.75 million after deducting all estimated expenses related to the Rights Issue.

As stated in the Letter, the Company intends to apply the Net Proceeds as follows:

(i) approximately 14.72% of the Net Proceeds, equivalent to approximately HK$6.00 million, will be allocated towards enhancing the general working capital of the Group, specifically to support the operations of the Company's Hong Kong office over the next twelve months, including staff costs, professional fees, rental payments, and other general administrative and operational expenditures;

(ii) approximately 59.29% of the Net Proceeds, equivalent to approximately HK$24.16 million, will be allocated towards the repayment of a portion of the trade payables and other outstanding payables;

(iii) approximately 16.17% of the Net Proceeds, equivalent to approximately HK$6.59 million, will be allocated towards an investment to diversify the revenue streams for the Group's bottled water business, focusing on improving penetration in the mass market and enhancing business-to-business (B2B) distribution efforts; and

(iv) approximately 9.82% of the Net Proceeds, equivalent to approximately HK$4.00 million, will be allocated for the maintenance and licensing of the Group's mining business.

For additional details, please refer to the section titled "2.2 Reasons for the Rights Issue" provided below.

As stated in the Letter, in the event of an undersubscription of the Rights Issue, the Net Proceeds will be allocated proportionally to the uses mentioned above.

2.2 Reasons for the Rights Issue

(i) General working capital and general corporate purposes

To support the Company's regular corporate operations, the Directors have allocated approximately HK$6 million from the Net Proceeds to meet operating expenses. Following discussions with the Group's management, it has been confirmed that this allocation will be utilised after the Group has exhausted its internally generated cash resources for the payment of employee salaries, Directors' remuneration, auditors' fees, and other professional fees.

After evaluating the allocation for the Group's annual administrative expenses, it has become clear that the Group's cash resources, including those generated from operating activities throughout the year, may not be sufficient to cover these expenses. As a result, the Group's management team plans to carefully reserve cash resources and focus on improving liquidity to strengthen the Group's overall financial position. Therefore, as long as the Group's operational scope remains stable, we believe the budget allocation is appropriate and justifiable.

(ii) Repayment of outstanding liabilities

Taking into account the discussion in the section "Financial Position of the Group" above, which indicates that the Group's available cash resources may be insufficient to address its repayment obligations, the Company plans to allocate approximately HK$24.16 million from the Net Proceeds to partially repay its outstanding loans, which will help to reduce the Group's short-term debt obligations.

In this context, we have thoroughly reviewed all relevant loan documents and understand that the Directors intend to allocate the Net Proceeds of approximately HK$24.16 million specifically to the following areas:

– approximately HK$15.60 million will be paid to a minority shareholder of Good Union (China) Limited ("**Good Union**"), in which the Company holds a 67% equity interest;

– approximately HK$7.50 million will be paid to China Develop Trading Limited ("**China Develop**"), an Independent Third Party; and

– approximately HK$1.06 million will be used to settle the Group's outstanding legal fees.

With the upcoming settlement reminder from Good Union and China Develop in 2025, including a demand note received by the Company from Good Union on 1 August 2025, the Company has decided to prioritise its settlement obligations. In particular, the allocation of part of the Net Proceeds to settle the demand note from Good Union is considered appropriate, as it will reduce immediate debt obligations, ease liquidity pressure and mitigate potential default risks arising from overdue liabilities. This decision aligns with the Group's goal of strengthening its financial position. We believe that this allocation is both fair and reasonable.

(iii) Strategic business expansion and investment

Following discussions with the Group's management, we have gained insights into the Company's ongoing evaluation of potential acquisitions and collaborative arrangements with downstream supply chain operators and commercial water distribution partners. The Directors acknowledge that enhancing distribution capacity is essential for the growth and overall performance of the Group during this critical start-up phase.

To strengthen its market presence in China, the Group plans to allocate additional financial resources to penetrate the mass market segment through strategic e-commerce initiatives and retail partnerships. Additionally, the Company aims to engage scalable business-to-business (B2B) clients in the PRC. To achieve this, the Company plans to explore the following strategies:

(i) establish strategic partnerships by acquiring a majority stake in a B2B redistributor or supply chain company that operates national retail chains with various sales channels. This will facilitate effective market penetration for the water products; and

(ii) collaborate with instant retail platforms to meet the evolving consumer demand for convenience.

In addition, the Company will focus on product diversification, including the development of custom bottled water for B2B clients and building relationships with OEM clients to seize growth opportunities across various segments of the water business.

(iv) Mining maintenance and licensing

As highlighted in the 2025 Annual Report, environmental and pollution-control regulations in the PRC have become increasingly stringent, especially with the implementation of the "Three Lines and One List" governance mechanism. Regulatory inspections conducted in 2024, along with further guidance in 2025, require the Group to upgrade its facilities, optimise processes, and obtain specialised certifications before commencing commercial production. These compliance obligations, along with the complex multi-tier approval processes, have caused delays in the start of commercial operations. As of the Latest Practicable Date, the Company is managing two mining operations in Yunnan Province, the PRC, both of which require maintenance to resume operations. This need for repair is mainly due to damage caused by a typhoon in September 2024. Additionally, the Company is working to secure the necessary mining licenses to support its future operations. To address these challenges, the Company plans to allocate approximately HK$4 million from the Net Proceeds to support mining maintenance and ensure adherence to licensing requirements for resuming production purposes.

The Directors would like to emphasise that the Group is dedicated to utilising its internal resources, securing loans from financial institutions, and partnering with strategic investors to raise the necessary capital. This strategy will ensure the Group meets the required financial needs for operating its existing mines after successfully acquiring the mining license and starting production.

We recognise that the Group is currently working to meet the requirements for securing the mining licenses. Additional capital needs will be assessed once the mines are ready for production. At this stage, we agree with the Directors that it is prudent to allocate HK$4 million for maintenance and to ensure compliance with licensing obligations, thereby protecting the interests of the Company and its Shareholders. Any plans for further capital requirements will be considered after this initial allocation. Therefore, we believe that allocating HK$4 million to its mining maintenance and adhering to licensing requirements is a fair and reasonable approach.

Conclusion

Given the factors mentioned above, we would like to summarise: (i) the Group is currently facing financial difficulties and does not have sufficient cash resources to meet its repayment obligations and working capital needs; (ii) in addition to addressing these immediate financial challenges, the Company plans to invest additional resources into its bottled water business to broaden its revenue base and improve long-term financial performance; and (iii) the Group also aims to activate its mining operations, starting with securing maintenance and licensing for the mine as the first step in this process.

After a comprehensive review and assessment of the Group's financial position, including available cash resources, the strategy for repaying liabilities, and a robust business plan focused on diversifying operations, we concur with the Board that the proposed allocation of resources and the Rights Issue are in the best interests of the Company and its Shareholders.

2.3 Alternative fundraising alternatives

In addition to the Rights Issue, we understand that the Directors have explored other fundraising options, including bank borrowings, placements, or an open offer. When considering debt financing, the Directors noted that bank loans would incur interest costs and may require the provision of security, meaning that creditors would have priority over shareholders. This type of financing would also add an interest burden and increase the Group's gearing ratio, while imposing repayment obligations. Furthermore, securing debt financing on favourable terms within a timely manner may not be possible.

On the other hand, equity fundraising, such as through the placement of new shares, is generally smaller in scale compared to a Rights Issue. It could also result in an immediate dilution of existing shareholders' interests, as it does not allow them to participate in the expanded capital base of the Company, which is not the intention of the Company.

Unlike an open offer, a Rights Issue allows shareholders to sell their nil-paid rights. It will enable qualifying shareholders to maintain their proportional shareholding interests and continue participating in the Company's future development.

When considering other equity financing options, we observed that the significant fluctuations in Share prices during the Review Period, as detailed in the section titled "4.2.1 Review of the Historical Price Performance of the Shares," have hindered the Company's ability to engage placing agents or subscribers unless a substantial discount to the current trading price and high placing commission are offered. We further acknowledge that the Company has approached three additional securities firms regarding this matter. Unfortunately, two of the potential agents declined to present any terms, while the third requested a substantial fee. This request was based on an initial assessment of the Group's financial losses over the past several years, along with considerations of the market price and trading volume of the shares. Additionally, issuing a large volume of securities through placement or subscription of new Shares would lead to significant dilution for existing Shareholders, limiting their ability to participate in fundraising efforts and retain their proportional shareholding. In light of these considerations, we align with the Directors' assessment that a Rights Issue represents the most viable option among the available equity fundraising alternatives. Furthermore, given the Group's current financial position, characterised by limited cash resources, we believe that pursuing debt financing would incur additional costs, thereby exacerbating the financial strain on the Group and negatively impacting its cash flow and overall financial performance. Consequently, we concur with the Directors in regarding debt financing as an unfavorable option.

After a thorough evaluation, we have concluded that the Rights Issue effectively addresses the Group's cash flow requirements, considering its overall financial position. Furthermore, it prioritises the interests of Shareholders by granting Qualifying Shareholders the first opportunity to participate and safeguard their shareholdings from dilution. We agree with the Directors that, after considering other alternatives, raising capital through the Rights Issue is in the best interest of the Company and its Shareholders as a whole.

3. Principal terms of the Rights Issue

Set out below are the principal terms of the Rights Issue:

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.146 per Rights Share
Number of Shares in issue as of the Latest Practicable Date	:	148,386,336 Shares
Maximum number of Rights Shares to be issued	:	296,772,672 Rights Shares, assuming there is no change to the total issued share capital of the Company on or before the Record Date

Assuming there is no change to the total issued capital of the Company on or before the Record Date, the maximum number of 296,772,672 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as of the Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue.

As of the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options, convertible securities, or other similar rights that are convertible or exchangeable into Shares.

3.1 Non-underwritten basis

There will not be any excess application arrangements regarding the Rights Issue, and the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance 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 under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Compensatory 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.

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 to the note to Rule 7.19(5) of the Listing Rules.

3.2 Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company, therefore, appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent places on a best-effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders on a pro-rata basis.

4. Evaluation of the terms of the Subscription Price

4.1 The Subscription Price

The Subscription Price is HK$0.146 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

(i) a discount of approximately 37.87% to the closing price of HK$0.2350 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 33.64% to the closing price of HK$0.2200 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 35.23% to the closing price of approximately HK$0.2254 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 42.59% to the average closing price of approximately HK$0.2543 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 14.45% to the theoretical ex-rights price of approximately HK$0.1707 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.2200 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 24.78%, which is calculated based on the theoretical diluted price of approximately HK$0.1748 per Share ("**Theoretical Diluted Price**") (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; (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 Last Trading Day); and

(vii) a discount of approximately 97.87% to the latest published audited consolidated net asset value per Share as at 31 March 2025 of approximately HK$6.8668 based on the net asset value of HK$1,108,945,000 and 148,386,336 Shares from the annual report of the Company published on 28 April 2025 for the year ended 31 March 2025. The Directors consider the discount represented by the Subscription Price to the audited consolidated net asset value per New Ordinary Share as at 31 March 2025 to be fair and reasonable with reasons set out below in this letter.

As stated in the Letter, the Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section headed "Reason for the Rights Issue and the use of proceeds" in the Circular; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

4.2 Evaluation of the Subscription Price

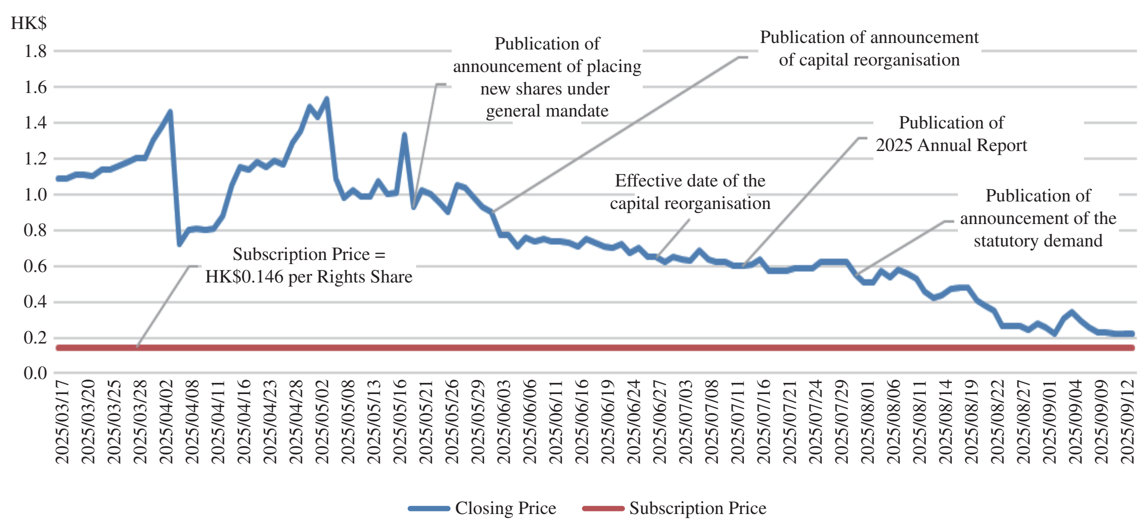
To assess the fairness and reasonableness of the Subscription Price, we have compared the Subscription Price with reference to (a) the historical Share price performance; (b) the historical trading volume and liquidity of the Shares; and (c) the market comparable in respect of recent issuance of subscription shares under a rights issue, as set out below.

4.2.1 Review of the historical price performance of the Shares

Below is a chart illustrating the movement of the closing prices of the Shares as quoted on the Stock Exchange from 17 March 2025, up to and including the Last Trading Day, which represents six months preceding the Last Trading Day (the "**Review Period**").

After careful consideration, we believe that the six-month period is an appropriate timeframe for effectively capturing general market sentiment. This duration aligns with the latest market trends and fluctuations in Share prices, thereby providing a reliable reflection of market attitudes toward the Shares. This timeframe provides a comprehensive overview of recent Share price performance while fully integrating relevant information regarding the Group's overall performance. Therefore, we consider the Review Period adequate for effectively illustrating Share price performance, thus it is fair and reasonable.

Historical Share price performance during the Review Period



Source: The website of the Stock Exchange

During the Review Period, the Shares achieved the highest closing price of HK$1.53 on 6 May 2025 (the "**Highest Closing Price**"), while the lowest closing price of HK$0.22 was recorded on 15 September 2025 (the "**Lowest Closing Price**"), being the Last Trading Day. The average closing price for the Shares during the Review Period was approximately HK$0.76 (the "**Average Closing Price**"). The Subscription Price reflects (i) a discount of approximately 90.46% to the Highest Closing Price, (ii) a discount of approximately 33.64% to the Lowest Closing Price, and (iii) a discount of approximately 80.86% to the Average Closing Price, observed during the Review Period.

During the Review Period, the Company released several announcements, including the announcements related to (i) placing of new shares under general mandate, published on 20 May 2025; (ii) a proposed capital reorganisation, published on 2 June 2025; (iii) the 2025 Annual Report, published on 14 July 2025; (iv) a profit warning, published on 18 June 2025; and (v) an announcement regarding inside information related to a statutory demand, published on 31 July 2025. Save as the mentioned announcements, the Company did not disclose any other material information to the public.

Considering the considerations above, we believe that the significant fluctuations in Share Price during the Review Period create considerable uncertainty in pricing, complicating efforts for Shareholders to accurately assess the fair value of their Shares through fundamental analysis. In these situations, Shareholders may expect higher returns as compensation for the increased risks involved. Therefore, we agreed that this volatility creates significant challenges in determining the fair value of Shares, which in turn leads to a considerable discount in the Subscription Price. This strategy aims to encourage Qualifying Shareholders' participation in the Rights Issue.

However, it is crucial to consider additional factors to evaluate the fairness and reasonableness of the subscription price.

To assess the fairness and reasonableness of the Subscription Price as compared to the recent closing price of the Shares, we have further, based on the information available from the Stock Exchange's website, observed the trading volume and liquidity of the Shares and identified the Comparables (as defined below) for further analysis. Please refer to the subsection headed "Comparison with recent transactions" for details on the analysis.

4.2.2 Review of the trading volume and liquidity of the Shares

Set out below is the table showing (i) the monthly total trading volume of the Shares; (ii) the number of trading days of each month; (iii) the average daily trading volume of the Shares; and (iv) the percentage of the average daily trading volume of the Shares to the total issued Shares at the end of each month during the Review Period:

Month	**Monthly trading volume of the Shares** *(Shares)*	**Number of trading days in the month** *(days)*	**Average daily trading volume of the Shares in the month** *(Shares)* *(Note 1)*	**Total issued Share as at the end of the month** *(Shares)* *(Note 2)*	**Percentage of average daily Trading volume of the Shares to total number of Shares** *(approximate)* *(Note 3)*
From 17 March 2025 to 31 March 2025	1,867,927	11	169,812	1,313,763,360	0.01%
April 2025	6,482,354	19	341,177	1,313,763,360	0.03%
May 2025	19,883,508	20	994,175	1,313,763,360	0.08%
June 2025	3,698,512	21	176,120	148,386,336	0.12%
July 2025	12,536,630	22	569,847	148,386,336	0.38%
August 2025	11,585,492	21	551,690	148,386,336	0.37%
From 1 September 2025 to 15 September 2025	10,746,044	11	976,913	148,386,336	0.66%

Source: Website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/ period.

2. Pursuant to the announcement dated 2 June 2025 and the circular dated 9 June 2025 published by the Company, the capital organisation took effect on 27 June 2025.

3. Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month.

During the Review Period, the monthly trading volume of the Shares varied significantly. It ranged from a low of 1,867,927 Shares traded between 17 March 2025 and 31 March 2025 to a peak of 19,883,508 Shares traded in May 2025. This represents approximately 0.01% of the total issued Shares for the lowest volume and approximately 0.08% for the highest volume.

In light of the low trading volume, we believe that Shareholders may encounter challenges in selling their Shares promptly at a more favorable price. Furthermore, the Company may face difficulties raising equity funds from third parties without offering a substantial discount to the prevailing Share price. Given the low trading liquidity and the observed downward trend in the closing price of the Shares during the Review Period, we understand that the Directors do not have specific information to ascertain the factors contributing to this significant decrease in share price.

However, this situation illustrates a volatile market environment marked by substantial fluctuations. Such volatility often leads to increased uncertainty in pricing, making it difficult for Shareholders to assess the fair value of the Shares accurately. Additionally, we noticed that (i) the Group is currently facing ongoing financial losses, which have a considerable impact on its financial position. This scenario may adversely influence the determination of the Subscription Price; and (ii) the limited liquidity of the Shares observed during the Review Period indicates the possibility of a significant discount to the Subscription Price. This adjustment may serve to encourage Shareholders to accept the allotment under the Rights Issue, together with the factors explained in the subsection "4.2.3 Comparison with recent transactions" below, we concur with the Directors that the terms of the Subscription Price are fair and reasonable, thus encouraging Qualifying Shareholders to participate in the Rights Issue and to support the future development of the Company.

4.2.3 Comparison with recent transactions

To evaluate the reasonableness of the Subscription Price, we have identified an exhaustive list of 32 transactions conducted by companies listed on the Stock Exchange (the "**Comparables**"). This process was based on the information available from the Stock Exchange's website.

Despite the Comparables including rights issues of different funding needs, profitability, and financial positions compared to the Company, the criteria for selecting the Comparables were as follows: (i) the companies must be listed on the Stock Exchange; (ii) the exclusion of rights issue transactions of A-Shares and H-Shares; (iii) our analysis primarily focuses on the principal terms of the rights issues, and we have not found any established evidence indicating a correlation between the size of the rights issue and its underlying principal terms; (iv) including transactions from Comparables with different funding needs and business operations provides a more comprehensive understanding of market sentiment in our analysis; (v) the proposed rights issues announced during the Review Period; and (vi) the inclusion of Comparables was conducted without any artificial selection or filtering, ensuring that they authentically represent recent market trends among other Hong Kong-listed issuers.

We noted that some of the Comparables included excess application arrangements in their rights issues, whereas the Rights Issue does not have such provisions. We believe these arrangements serve as additional execution mechanisms and do not diminish the relevance of the Comparables when evaluating key terms. Important factors to consider in this context include the subscription price discount, the basis of entitlement, and the theoretical dilution effect. Therefore, even though some of the Comparables have excess application arrangements, they are still suitable references for assessing the terms of the Rights Issue.

Since the terms of the Comparables are established under comparable market conditions and sentiments to those associated with the issuance of Rights Shares, and the Review Period includes an exhaustive list of the Comparables, allowing for effective analysis, we believe that the Comparables serve as an accurate reflection of the recent market trend regarding rights issue. we believe that our comparable analysis, based on the criteria outlined above, is valuable for evaluating the fairness and reasonableness of the Subscription Price. Hence, we are of the view that the Comparables provide fair and representative samples for our analysis.

Shareholders should note that the financial performance, operations, and prospects of the Company are not the same as the subject companies of the Comparables, and we have not conducted any independent verification with regard to the financial performance, businesses, operations, and prospects of such companies of the Comparables. Despite the subject companies of the Comparables having different fundraising purposes, financial positions, scales, and entitlements, as well as fundraising sizes compared to those of the Company, the Comparables can demonstrate recent market practices of rights issue transactions conducted by companies listed on the Stock Exchange.

Date of initial announcement	Company name	Stock code	Basis of entitlement	Gross Proceeds *(HK$' million)*	Premium/ (Discount) of subscription price over/to the closing share price on the last trading day	Premium/ (Discount) of subscription price over/to the closing price for the five consecutive trading days up to and including the last trading day	Premium/ (Discount) of the subscription price over/to the latest net asset value per share	Theoretical dilution effect	Placing commission rate	Underwriting arrangement *(Note 1)*	Excess Application/ Compensatory Arrangements
19/03/2025	Pacific Legend Group Limited	8547	1 for 2	13.7	(13.79%)	(13.79%)	(53.99%)	4.60%	1.25%	No	Compensatory Arrangements
11/04/2025	ISP Holdings Limited	2340	1 for 2	10.8	(74.50%)	(73.38%)	(85.59%)	24.85%	N/A	No	Excess application
16/04/2025	Bonjour Holdings Limited	653	3 for 1	107.5	(25.93%)	(27.93%)	(75.91%)	20.95%	2.00%	No	Excess application
16/04/2025	AustAsia Group Ltd.	2425	2 for 5	313.8	(29.11%)	(29.11%)	(80.95%)	8.23%	N/A	No	Excess application
25/04/2025	Melco International Development Limited	200	1 for 2	780.0	(72.93%)	(71.03%)	3,328.67%	24.31%	N/A	No	Excess application
29/04/2025	C Cheng Holdings Limited	1486	1 for 2	14.4	(67.21%)	(66.44%)	(92.75%)	22.40%	3.00%	No	Compensatory Arrangements
07/05/2025	SEEC Media Group Limited	205	1 for 2	40.5	(23.61%)	(26.17%)	(53.78%)	No	3.00%	No	Compensatory Arrangements
09/05/2025	China Sci-Tech Industrial Investment Group Limited	339	1 for 2	10.1	(43.10%)	(47.40%)	Net liabilities	16.20%	1.50%	No	Compensatory Arrangements
13/05/2025	Shougang Century Holdings Limited	103	3 for 20	160.4	12.30%	14.30%	(40.10%)	No	N/A	No	Excess application
13/05/2025	Capital Realm Financial Holdings Group Limited	204	3 for 1	155.7	4.17%	21.36%	(86.28%)	No	3.00%	No	Compensatory Arrangements
15/05/2025	Zhongzheng International Company Limited	943	1 for 2	114.6	0.00%	0.00%	(54.40%)	No	2.00%	Yes	Underwriting
22/05/2025	China Health Group Limited	673	3 for 10	80.9	(28.60%)	(37.10%)	12.40%	23.60%	2.00%	Yes	Underwriting
23/05/2025	Grand Talents Group Holdings Limited	8516	5 for 2	27.5	(33.00%)	(33.00%)	(38.15%)	23.57%	3.00%	No	Compensatory Arrangements
02/06/2025	Lvji Technology Holdings Inc.	1745	1 for 2	151.8	(32.10%)	(33.10%)	(72.60%)	11.30%	N/A	Yes	Excess application & Underwriting
04/06/2025	Howkingtech International Holding Limited	2440	1 for 2	154.8	(49.70%)	(50.00%)	50.20%	16.70%	N/A	No	Excess application
10/06/2025	Greenheart Group Limited	94	1 for 2	33.7	(9.25%)	(4.97%)	(88.80%)	3.00%	2.00%	No	Compensatory Arrangements
10/06/2025	Pinestone Capital Limited	804	3 for 2	60.7	(40.71%)	(41.63%)	(75.64%)	24.98%	5.00%	No	Compensatory Arrangements
17/06/2025	Risecomm Group Holdings Limited	1679	5 for 1	127.9	(22.48%)	(21.63%)	Net liabilities	18.73%	0.50%	No	Compensatory Arrangements

Date of initial announcement	Company name	Stock code	Basis of entitlement	Gross Proceeds *(HK$' million)*	Premium/ (Discount) of subscription price over/to the closing share price on the last trading day	Premium/ (Discount) of subscription price over/to the closing price for the five consecutive trading days up to and including the last trading day	Premium/ (Discount) of the subscription price over/to the latest net asset value per share	Theoretical dilution effect	Placing commission rate	Underwriting arrangement *(Note 1)*	Excess Application/ Compensatory Arrangements
25/06/2025	Sino Splendid Holdings Limited	8006	3 for 2	17.7	(11.10%)	(12.10%)	(52.40%)	6.67%	2.50%	No	Compensatory Arrangements
07/07/2025	Sanergy Group Limited	2459	1 for 2	45.6	(55.60%)	(56.30%)	(89.00%)	18.80%	3.50%	No	Compensatory Arrangements
08/07/2025	Alco Holdings Limited	328	4 for 1	148.5	(19.00%)	(19.00%)	Net liabilities	15.52%	1.50%	No	Compensatory Arrangements
23/07/2025	Future Machine Limited	1401	1 for 2	140.0	(72.28%)	(72.28%)	(28.61%)	24.09%	1.00%	No	Compensatory Arrangements
25/07/2025	Shin Hwa World Limited	582	1 for 1	182.6	(34.21%)	(33.07%)	(97.12%)	17.11%	N/A	Yes	Excess application & Underwriting
31/07/2025	Da Yu Financial Holdings Limited	1073	1 for 2	136.7	(16.67%)	(18.92%)	(45.45%)	6.67%	N/A	No	Excess application
04/08/2025	Tomo Holdings Limited	6928	1 for 2	40.5	(62.10%)	(63.20%)	25.00%	21.30%	1.00%	No	Compensatory Arrangements
06/08/2025	Value Convergence Holdings Limited	821	2 for 1	222.6	(42.60%)	(58.60%)	(71.06%)	3.11%	2.50%	No	Compensatory Arrangements
13/08/2025	Capital VC Limited	2324	1 for 1	54.0	(27.30%)	(24.80%)	(82.00%)	13.60%	3.00%	No	Compensatory Arrangements
13/08/2025	China Information Technology Development Limited	8178	3 for 8	35.4	(55.05%)	(55.24%)	(63.00%)	15.12%	N/A	Yes	Underwriting
14/08/2025	China Energy Development Holdings Limited	228	1 for 2	238.7	(19.90%)	(19.90%)	(73.34%)	6.63%	N/A	No	Excess application
26/08/2025	Jisheng Group Holdings Limited	8133	3 for 1	34.4	(14.29%)	(14.29%)	(45.45%)	10.57%	1.50%	No	Compensatory Arrangements
04/09/2025	Many Idea Cloud Holdings Limited	6696	6 for 1	273.8	(22.08%)	(24.56%)	(90.53%)	20.63%	0.20%	No	Compensatory Arrangements
04/09/2025	Aeso Holding Limited	8341	2 for 1	17.6	(25.70%)	(23.10%)	(83.00%)	17.12%	2.50%	No	Compensatory Arrangements
			maximum	780.0	12.30%	21.36%	3,328.67%	24.98%	5.00%		
			average	123.3	(32.11%)	(32.39%)	58.50%	15.73%	2.16%		
			medium	94.2	(27.95%)	(28.52%)	(71.06%)	16.91%	2.00%		
			minimum	10.1	(74.50%)	(73.38%)	(97.12%)	3.00%	0.20%		
15/09/2025	Zhong Jia Guo Xin Holdings Company Limited	899	2 for 1	43.33	(33.64%)	(35.23%)	(97.87%)	24.78%	5.00%	No	Compensatory Arrangements

Note:

1. The respective Comparables had no Compensatory Arrangements ascribed to the adaption of excess application.

The table above presents a detailed overview of the subscription prices of the Comparables in relation to their respective closing prices on or before the Last Trading Day. These prices varied, showing a discount of approximately 74.50% to a premium of approximately 12.30%, with an average discount of approximately 32.11% ("**Comparison 1**").

In further examining the subscription prices in comparison to the average closing prices over the five trading days before the Last Trading Day, we found that the results showed a comparable range, with the prices varying from a discount of approximately 73.38% to a premium of approximately 21.36%, with an average discount of approximately 32.39% ("**Comparison 2**").

In addition to the analyses conducted in Comparison 1 and Comparison 2, our findings indicate that the subscription prices of the Comparables, relative to their latest net asset value per share, ranged from a discount of approximately 97.12% to a premium of approximately 3,328.67%, with an average premium observed across these comparisons of approximately 58.50% ("**Comparison 3**").

As a result, the discount of approximately 33.64% to the closing price of HK$0.2200 per Share as quoted on the Stock Exchange on the Last Trading Day, and the discount of approximately 35.23% to the average closing price of HK$2.84 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day, fall within the established range of the Comparables and are closely aligned with the average figures derived from Comparison 1 and Comparison 2. Additionally, the discount of approximately 97.87% to the net asset value per Share as of 31 March 2025 falls outside the range of the Comparables in Comparison 3.

In addition to Comparison 1, Comparison 2, and Comparison 3, we have identified that the theoretical dilution effect of the Rights Issue closely aligns with the maximum figures derived from the Comparable. To conduct a detailed evaluation of this, we would like to clarify that the theoretical dilution effect represents the potential reduction in ownership stake for existing shareholders resulting from the issuance of new shares. Nevertheless, a rights issue allows existing shareholders the opportunity to purchase additional shares, enabling the Company to raise capital while maintaining their ownership stakes. Although higher theoretical dilution may raise concerns, the Rights Issue is being offered at a significant discount to the current market price, which can benefit Qualifying Shareholders. This mechanism is crucial for the Company to secure funding for growth, debt repayment, and strategic business initiatives, all of which can enhance long-term value. Furthermore, Qualifying Shareholders have the option to mitigate dilution by exercising their rights. Given these considerations, we believe that if the funds raised from the Rights Issue are utilised effectively, they can lead to an increase in the Company's value, potentially offsetting any dilution effects over time. Therefore, after thorough analysis of the factors below, we conclude that, despite the Rights Issue indicating a high theoretical dilution effect compared to the Comparables, it remains a fair and reasonable course of action.

Furthermore, we have observed significant variations in the ranges of Comparison 1, Comparison 2, and Comparison 3. Since there is no solid justification for excluding outliers from the Comparables, we have chosen to include them in our analysis. This approach aims to minimise potential bias in the results and ensure a more accurate representation of the data. By incorporating the outliers, we intend to provide a comprehensive understanding of the Comparables population.

Based on the information provided, we conducted an independent analysis to identify comparable factors and reviewed the previously mentioned results. While evaluating the Comparables, we recognised that (i) market sentiment at the time of a rights issue can differ, affecting investor reactions depending on recent performance and relevant news; and (ii) companies may have different capital requirements and strategic objectives, which can influence the reasoning behind their rights issues. Consequently, the findings from the Comparables offered only limited insight into industry standards and past performance.

To further assess the fairness and reasonableness of the Rights Issue, we examined a variety of specific quantitative factors. These included the Group's trends in financial position and performance, its business strategies and directions, the rationale behind the Rights Issue, the intended use of the funds raised from the Rights Issue, the benefits of the Rights Issue for the Shareholders, and the performance and liquidity of the Shares.

Despite the Subscription Price reflects a significant discount of (i) approximately 33.64% to the closing price of HK$0.2200 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) approximately 35.23% to the closing price of approximately HK$0.2254 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; (iii) approximately 97.87% to the latest published audited consolidated net asset value per Share as at 31 March 2025; and (iv) approximately 24.78% to the theoretical dilution effect based on the Theoretical Diluted Price, we considered the following factors when assessing the Subscription Price:

(i) the Group has experienced continuous annual financial losses since 2021, leading to a substantial decline in its net asset value, which decreased from approximately HK$2,077 million as of 31 March 2021 to approximately HK$1,019 million as of 31 March 2025. These persistent losses raise significant concerns regarding the Company's capacity to achieve profitability in the future, which could negatively impact investor confidence and market valuation. Furthermore, the ongoing financial challenges may suggest the need for further impairments on the carrying amount of assets, which would further contribute to a reduction in net asset value. In light of these circumstances, we anticipate that Shareholders may adjust the net asset value downward to account for the increased risk and diminished future cash flows associated with the Company's current financial difficulties. This adjustment may, in turn, influence the determination of the Subscription Price;

(ii) the observed overall downward trend, the high volatility of the closing price of the Shares, coupled with the limited liquidity of the Shares during the Review Period, indicates the potential for a considerable discount to the Subscription Price. This adjustment may serve to encourage the Qualifying Shareholders to participate in the Rights Issue;

(iii) the Rights Issue is available to all Qualifying Shareholders, whose interests of the Qualifying Shareholders will not be prejudiced by the discount of the Subscription Price as long as they are offered an equal opportunity to participate in the Rights Issue and subscribe for the Rights Shares;

(iv) those Qualifying Shareholders who do not wish to subscribe for their pro-rata entitlement of the Rights Shares can receive economic benefits from selling their nil-paid Rights Shares in the market;

(v) the theoretical dilution effect of the Rights Issue falls within the range of the Comparables; and

(vi) the reasons in the section headed "2.2 Reasons for and benefits of the Rights Issue and the intended use of proceeds" above in this letter.

Considering the factors mentioned above, we agree with the Directors that the benefits of the Rights Issue outweigh the significant discount applied to the Subscription Price. We recognise that the Company is committed to prioritising the involvement of Qualifying Shareholders in the Rights Shares. As a result, the Company has established a substantial discount to encourage participation in the Rights Issue, balancing its cash flow needs with the interests of its Shareholders. Therefore, we believe that offering a substantial discount on the Subscription Price is an effective strategy to attract subscriptions from Qualifying Shareholders.

In light of the above, we consider that the determination of the Subscription Price is fair and reasonable to the Shareholders and in the interests of the Company and the Shareholders as a whole.

5. Principal terms of the Placing Agreement

On 15 September 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement. Principal terms of the Placing Agreement are summarised below:

Placing Agent:	Silverbricks Securities Company Limited has been appointed as the bookrunner and placing agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best-effort basis. The Placing Agent is a licensed corporation authorised to conduct Type 1 regulated activities (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) under the Securities and Futures Ordinance (SFO). To the best of the Directors' knowledge, information, and belief, and after making all reasonable inquiries as of the Latest Practicable Date, the Placing Agent is a wholly-owned subsidiary of the Company.
Placing Price:	The placing price for the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be set at a minimum equal to the Subscription Price.
Placing commission:	The commission payable to the Placing Agent shall be 5% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (the "**Placing Commission**").
Placees:	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 of the Company or Substantial Shareholders or any of its subsidiaries or any of their respective associates.

The Placing Agent shall also ensure that (i) none of the placees, and whose ultimate beneficial owner(s), shall own 10% of more of the total number of Shares in issue immediately upon completion of the Rights Issue; (ii) the public float requirement under Rule 8.08 of the Listing Rules remains to be fulfilled by the Company upon completion of the Rights Issue; and (iii) the placees, and whose ultimate beneficial owner(s), (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after completion of the Rights Issue.

Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares: The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Consolidated Shares then in issue.

5.1 Evaluation of the Placing Price

As stated above, the placing price for the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case may be) will be at least equal to the Subscription Price; we consider this to be fair and reasonable.

5.2 Evaluation of the Placing Commission

To assess the fairness and reasonableness of the Placing Commission, we conducted a thorough analysis of the commission charged by placing agents of the Comparables, where applicable. Our findings indicate that the placement commissions among these companies varied from 0% to 5%. The Placing Commission, set at 5%, falls within this established range, as set out in the sub-section "Comparison with other rights issue" in this letter.

Although the Placing Commission represents the highest commission set by the placing agents of the Comparables, in evaluating the fairness of the Placing Commission, we have carefully considered the volatility and trading volume of the Shares during the Review Period. Our analysis in this letter reveals that significant fluctuations in Share Price during the Review Period create considerable uncertainty in pricing. Additionally, the low trading liquidity suggests that Shareholders may face challenges in selling their shares promptly at a more favorable price. This situation also presents difficulties for the Placing Agent in effectively marketing the Shares.

Following our discussions with the Directors, we have concluded that establishing the Placing Commission at this level is essential for motivating the Placing Agent to attract investors for the Unsubscribed Shares. Furthermore, the successful placement of these Unsubscribed Shares is also vital for addressing the Company's immediate cash flow requirements. Hence, we conclude that the Placing Commission, pursuant to the Placing Agreement, is fair and reasonable.

After a thorough review of the Placing Agreement, including the provisions regarding the Placing Agent's responsibilities for securing placees, the termination clause, and the warranties provided by the Placing Agent, we find that these terms align with prevailing market practices. Additionally, we believe that these terms ensure the Company complies with applicable Listing Rules and other regulatory requirements. Therefore, we conclude that all terms of the Placing Agreement are fair and reasonable.

6. Potential dilution in public shareholding interests

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue. Qualifying Shareholders who do not take up the Rights Issue can, subject to the then prevailing market conditions, consider selling their nil-paid rights to subscribe for the Rights Shares in the market. However, they should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue and the Placing.

For those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue and the Placing will be diluted by up to a maximum of approximately 24.78%.

Having considered (i) the dilution effect is not prejudicial as all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; and (ii) the Qualifying Shareholders have the opportunity to realise their nil-paid rights to subscribe for the Rights Shares in the market, subject to availability, we are of the view that the potential dilution effect on the shareholding, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Rights Shares, is acceptable and justifiable.

7. Possible financial effect of the Rights Issue

7.1 Effect on net asset value

Reference is made to the statement of unaudited pro forma statement of adjusted consolidated net asset value of the Group as set out in Appendix II to the Circular.

As at 31 March 2025, based on (i) the audited consolidated net tangible assets of the Group attributable to the equity holder of the Company of approximately HK$476.06 million; and (ii) the 148,386,336 Consolidated Shares in issue (assumed that the Share Consolidation had become effective), the audited consolidated net asset value per Share attributable to the Shareholders amounted to approximately HK$3.318 per Consolidated Share.

On the assumptions that completion of the Rights Issues had taken place on 31 March 2025, the Share Consolidation had become effective and 296,772,672 Rights Shares had been issued, immediately upon completion of the Rights Issue, (i) the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company would become approximately HK$533.17 million; and (ii) the number of Shares in issue would become 445,159,008 Consolidated Shares, resulting in the unaudited pro forma adjusted consolidated net asset value per Consolidated Share attributable to the Shareholders of approximately HK$1.198.

Despite a reduction of approximately 63.89% in the consolidated net asset value per share upon completion of the Rights Issue, we have carefully considered (i) the reasons for the Rights Issue as outlined in the section titled "2. Reasons for and benefits of the Rights Issue and the intended use of proceeds" in this letter, and (ii) the rights of the Qualifying Shareholders to take up their respective entitlements. This allows them to maintain their shareholdings in the Company and participate in the Group's potential growth. In our view, the overall impact on the consolidated net asset value per share is fair and reasonable, and it serves the best interests of the Company and its Shareholders as a whole.

7.2 Effect on working capital

As indicated by the Company, part of the Net Proceeds will be utilised as general working capital for the Group. Consequently, the Group's working capital position is expected to improve upon completion of the Rights Issue.

It is important to note that the analyses provided are for illustrative purposes only and do not reflect the Group's actual financial position following the completion of the Rights Issue.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) the terms of the Rights Issue and the Placing are fair and reasonable; (ii) on normal commercial terms; and (iii) the Rights Issue and the Placing are in the interests of the Company and the Shareholders. Accordingly, we recommend that the Independent Board Committee advise the Shareholders to vote in favour of the resolutions at the SGM in relation to the Rights Issue and the Placing.

Yours faithfully
For and on behalf of
Diligent Capital Limited
Felix Huen
Director

*Mr. Felix Huen ("**Mr. Huen**") is the person signing off the opinion letter from Diligent Capital contained in the Circular. Mr. Huen has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2019, and he has participated in and completed various independent financial advisory transactions in Hong Kong.*

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 March 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the years ended 31 March 2023, 2024 and 2025. The said annual reports of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zhongjiagx.com):

- annual report of the Company for the year ended 31 March 2023 from pages 63 to 82 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100315.pdf);
- annual report of the Company for the year ended 31 March 2024 from pages 76 to 94 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072600001.pdf); and
- annual report of the Company for the year ended 31 March 2025 from pages 77 to 95 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0714/2025071400307.pdf).

B. STATEMENT OF INDEBTEDNESS

At the close of business on 30 September 2025, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the date of this circular, the Group had total borrowings of approximately HK$16,263,000, which comprised the following:

(a) Interest-bearing bank borrowings

The interest-bearing bank borrowings of approximately HK$8,763,000 were unguaranteed and secured by the land and buildings of the Group.

(b) Interest-bearing other borrowings

The interest-bearing other borrowings of HK$7,500,000 were unguaranteed and secured by equity interests of certain subsidiaries.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as of 30 September 2025, being the latest practicable date for determining indebtedness, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees or other contingent liabilities, nor any authorised or otherwise created but unissued debt securities.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group including internally generated funds, bank and other facilities, the Group will have sufficient working capital for its operation for at least twelve months from the date of this circular.

The Company has obtained a letter on the working capital statement from its financial adviser as required under Rule 14.66(12) of the Listing Rules.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group, comprising the Company and its subsidiaries, is principally engaged in property development, property investment and production and sales of bottled water in PRC.

For the year ended 31 March 2025, the Group's revenue amounted to approximately HK$20.04 million, representing an increment of approximately 41.55% compared to approximately HK$14.16 million in 2024, reflecting growth despite challenging market conditions. The increase was primarily driven by the Group's bottled mineral water business, which commenced production in March 2024. The management of water business has been actively expanding its customer base and promoting its water products to enhance sales and market penetration. However, the post-pandemic global economy remains subdued, and the PRC's economic recovery has been slow, with no immediate signs of rapid improvement. The property market, in particular, has weakened further, leading to a decline in the Group's revenue from developed property sales in the PRC. Meanwhile, rental and management fee income from investment properties showed resilience, partially offsetting the downturn in property sales.

For the year ended 31 March 2025, the Group recorded a loss attributable to owners of the Company, which amounted to approximately HK$451.55 million compared to a loss attributable to owners of the Company of approximately HK$8.35 million in 2024.

The increase in loss was mainly attributable to:

(i) provision for impairment loss on deposits paid for acquisition of Beijing Properties as the fair value of properties to be transferred to the Group as refund of deposits paid dropped during the Year;

(ii) increase in impairment loss on intangible assets;

(iii) increase in impairment loss on interests in associates; and

(iv) increase in loss from change in fair value of investment properties.

Basic loss per share was HK$36.1 cents for the year ended 31 March 2025, compared to basic loss per share of HK$0.9 cents for the year ended 31 March 2024.

In the post-pandemic era, the overall economy in the PRC remains stagnant. The Group is facing more challenges, including but not limited to downturn of the property market, unfavourable market sentiment and low consumers' demands in the PRC. The Group is proactively and continuously taking actions to mitigate the adverse impacts of the pandemic on the Group. Nevertheless, our core businesses are inevitably adversely affected to some extent.

Property development and property investment segment

The Group recorded a loss from property development and property investment segment of approximately HK$362 million for the year ended 31 March 2025 compared to a profit attributable to owners of the Company of approximately HK$18.32 million for the year ended 31 March 2024.

The turnaround from profit to loss was mainly due to: (i) provision for impairment loss on deposits paid for acquisition of Beijing Properties as the fair value of properties to be transferred to the Group as refund of deposits paid dropped during the Year; and (ii) increase in loss from change in fair value of investment properties.

For the year ended 31 March 2025 the Group recorded revenue from property development and investment segment of approximately HK$15.15 million compared to revenue of HK$14.11 million for the year ended 31 March 2024.

Property development

Dalian properties

The indirect wholly-owned subsidiary in Dalian, the PRC, Dalian Chuanghe Landmark Co Ltd.* ("**Dalian Chuanghe**"), engages in the development of urban land for residential usage in Dalian and plans to develop 55 buildings with 21 buildings in the first phase ("**Phase I**") and 34 buildings in the second phase ("**Phase II**") at Beibu District, Jinshitan, Jinzhou New District, Dalian, the PRC* (中國大連金州新區金石灘北部區).

Phase I, named "Xin Tian Jia Yuan", was completed in March 2019 and recognised as the completed properties held for sale of the Group. There are 21 buildings established in Phase I with total saleable area of approximately 42,540 square metres including 4 eight-storey apartments (小高層), 9 garden villas (洋房) and 8 garden houses (聯排別墅).

Dalian Chuanghe commenced to hand over the properties to buyers in April 2019. For the Year, approximately 181 square metres of properties were handed over and revenue of approximately HK$1,186,000 (2024: HK$1,788,000) was recorded. Due to the downturn of the property market in the PRC, consumers' behaviors have changed. They tend to be more conservative and take a wait-and-see attitude towards property investment, which has substantially affected the sales of property. As a result, the revenue from sales of properties decreased during the Year.

Up to 31 March 2025, an aggregate of approximately 81% of the total saleable area of Phase I have been handed over to the buyers. As at 31 March 2025, Dalian Chuanghe had sale contracts with contract amount of approximately RMB37,597,000 with gross saleable areas of around 5,027 square metres which are expected to be handed over to buyers in the near future. Under the unfavourable property market sentiment, it is challenging to sell all the remaining unsold units in Phase I in the near future. However, the management of Dalian Chuanghe are closely monitoring the property market condition and is using its best endeavor to promote and sell the remaining unsold units.

Phase II is recognised as the properties under development of the Group. The Group planned to develop 34 buildings with aggregate saleable area of approximately 69,000 square metres. The development of Phase II is in preliminary stage. Due to (i) the outbreak of the COVID-19 pandemic since the beginning of 2020; (ii) the debt crisis of some of the property developers in the PRC since mid-2021; and (iii) the downturn of the property market in the PRC, the development of Phase II has been delayed and rescheduled.

On 27 January 2022, Dalian Chuanghe received an idle land decision from Dalian Municipal Bureau of Natural Resources* (大連市自然資源局), pursuant to which the land of Phase II was determined to be in idle condition. Therefore, there is a risk that the land of Phase II being repossessed by the PRC government authorities without compensation. According to the "Idle Land Disposal Measures"* (閑置土地處置辦法), during the investigation and disposal process, the natural resources department will mark the land in the real estate registry and suspend all registration procedures, including transfer and change of ownership. Given these transfer restrictions and the risk of potential reclaim without compensation, the Phase II land is considered to have no commercial value.

Reference is made to the announcement published by the Company on 15 October 2025 that the Company entered into the Agreement with the Purchaser. According to the Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing all the issued shares of the Target Companies held by the Company as the registered holder and beneficial owner thereof, for a total cash consideration of RMB3 million (equivalent to approximately HK$3.286 million). Upon Completion of the Disposal, the Dalian Chuanghe will cease to be the subsidiaries of the Company and the financial results of the Target Group will no longer be consolidated into the financial statements of the Group. Consequently, the Company will no longer hold any interest in the Phase I and Phase II.

Further announcement(s) will be made by the Company in relation to the completion of the Disposal as and when appropriate.

Property investment

Beijing properties

The Group entered into an acquisition agreement on 28 February 2017 to purchase (a) office premises with an aggregate gross floor area of 8,335 square metres and (b) underground car park with an aggregate gross floor area of 3,100 square metres located at Phase III of Beijing Convention and Exhibition International Port (Exhibition Centre Ancillary Facilities) Project* (北京會展國際港展館配套設施項目第三期) for a consideration of approximately RMB220,000,000 (subject to adjustment). The Group has paid the consideration of RMB200,000,000 in accordance with the payment terms stated in the acquisitions agreement as deposits.

Due to the outbreak of the COVID-19 pandemic, construction works were temporarily suspended and the vendor failed to hand over the properties to the buyer in accordance with the agreed schedule. The Group took legal action against the vendor for the material delay in handover of the properties. Since the vendor has still not handed over the properties in 2023, the vendor has undertaken with the Group to refund the entire deposit to the Group. As the vendor was in financial difficulties, the vendor has undertaken to (i) refund the deposit by transferring certain properties in Beijing held by the vendor and (ii) pay an additional cash compensation of RMB8,000,000 to the Group. As at 31 March 2024, the vendor has fully paid the cash compensation of RMB8,000,000 and transferred 4 properties with the aggregate Consideration of approximately RMB44,381,600 to the Group. On 23 April 2025, two properties have completed to transfer the Group with the aggregate Consideration of approximately RMB42,043,310 and RMB38,439,310 respectively. On 15 May 2025, the Company have received refund in total of RMB16 million in cash, RMB11.17 million as refund of part of the Deposit and RMB4.83 million as cash compensation of late refund.

These six properties which have been transferred to the Group were reclassified from deposits paid to investment properties of the Group. These properties are currently leased to tenants for rental income. For the Year, the Group recorded rental income from these properties of approximately HK$453,000 (2024: HK$518,000).

Zhejiang properties

The Group holds the land use rights in respect of an industrial land parcel with site area of approximately 31,950 square metres and a two-storey industrial building with a total gross floor area of approximately 45,330 square metres together with another land parcel with a total site area of approximately 74,960 square metres located at Chen Village, Shanghua Street, Lanxi City, Jinhua, Zhejiang Province, the PRC* (中國浙江省金華蘭溪市上華街道沈村).

The industrial lands and building are currently leased to tenants for rental income. The Group recorded rental income of approximately HK$5,227,000 for the Year (2024: HK$4,394,000), representing an increase primarily due to renewal lease agreement with higher rental rates and improved tenant restructuring.

Suzhou properties

The Group holds the land use rights in respect of several buildings with total construction area of approximately 14,798 square metres together with the land parcel with a total site area of approximately 20,841 square metres located at 6 Waiwujingnong, Suzhou, Jiangsu, the PRC* (中國江蘇省蘇州市外五涇弄6號).

The Suzhou Properties comprise a garden-style hotel in Suzhou for travel, vacation, conference and meeting. It was being leased out by the Group for rental income and the tenants operated the same as, *inter alia*, business clubs, featured business boutique hotels, restaurants, shops, offices, etc. For the Year, the Group recorded rental and management fee income of approximately HK$7,555,000 (2024: HK$7,410,000).

While the post-pandemic economic environment in the PRC previously impacted tourism and business activities, leading to some tenant turnover in prior years, the leasing situation has since stabilised during the year. The Group has maintained steady occupancy and rental rates, reflecting improved market resilience and effective tenant retention strategies.

The Group is now using its best endeavour to identify and solicit new tenants for the vacant units in the Suzhou Properties. The Company is confident that, once the market conditions improve, the demand for tourism properties will increase and the occupancy rate of the Suzhou Properties will improve accordingly. The Company intends to adopt a more progressive approach in securing new tenants, including but not limited to (i) carry out more active marketing of the properties available for lease; (ii) offer more competitive rental packages for potential tenants; and (iii) engage more real estate agents to secure potential tenants.

On 22 October 2025, the resigned executive Director, Mr. Li Xiaoming ("**Mr. Li**") had resigned from the Board. While, the Company maintains sufficient expertise through a combination of Board oversight, dedicated operational teams, and professional advisors.

The daily operations are managed by the local managers with years of experience and comprehensive expertise in the property development and investment sector. This is further supported by a local team with backgrounds in the industry. Furthermore, Mr. Li Yuguo, a retired director of the Company with over 10 years experience in property development and investment, still remain with the Group as interim advisor.

Water business

The Group recorded a loss from water business segment of approximately HK$99.82 million for the year ended 31 March 2025 compared to a loss attributable to owners of the Company of approximately HK$34.45 million for the year ended 31 March 2024.

The increase in loss from water business segment was mainly due to the increase in impairment loss on the water mining right possessed by the subsidiary of the Company in Hunan.

Water production and sales

The Group holds 20% equity interests in Hong Kong Spring Water Ding Dong Group Company Limited which has a wholly-owned subsidiary in Guangxi, Guangxi Spring Water Ding Dong Beverages Company Limited* ("**Guangxi Spring Water Ding Dong**"). Guangxi Spring Water Ding Dong possesses a water procurement permit for production and sales of bottled water and is currently in operation in Guangxi. For the year ended 31 March 2025 the Group shared losses of associates of approximately HK$11.69 million compared to the losses of associates of approximately HK$11.43 million for the year ended 31 March 2024, which were mainly attributable to the depreciation of property, plant and equipment and amortisation of water procurement permit of the associate in Guangxi. The increase in losses was mainly due to the increase in operating loss of the associate.

Water mining

The Group holds 67% equity interests in Good Union (China) Limited ("**Good Union**"), which has a wholly-owned subsidiary in Hunan, Hunan Xintian Strontium Rich Mineral Water Co., Ltd.* ("**Hunan Xintian**"). Hunan Xintian possesses a water mining right for exploitation of mineral water in Hunan. The construction of the factory buildings was completed in 2023 and the installation of machinery and equipment was also completed during the Year. The commercial production has commenced in March 2024.

For the year ended 31 March 2025, the Group recognised revenue from the sales of bottled mineral water of approximately HK$4.89 million compared to revenue from the sales of bottled mineral water of approximately HK$0.05 million for the year ended 31 March 2024.

The management of Hunan Xintian is actively soliciting customers and promoting its water products in order to enhance its turnover and customer bases.

The daily operations are managed by the head of water business operations, who has comprehensive expertise in the bottled water sector, including e-commerce and business-to-business activities. This is further supported by a local team with backgrounds in supply chain and production management. Furthermore, Mr. Li Yuguo, a retired director of the Company with professional experience in water mining and bottled water sector, still remain with the Group as interim advisor. The Company maintains sufficient expertise through a combination of Board oversight, dedicated operational teams, and professional advisors.

Mining business

The Group recorded a loss from mining business segment of approximately HK$8.46 million for the year ended 31 March 2025 compared to a loss of approximately HK$0.19 million for the year ended 31 March 2024. The loss from mining business segment was mainly due to the operating expenses and provision for impairment loss on mining right.

Jiuyuan mine

The Group holds 100% equity interests in Yonyin Investment Holdings Limited ("**Yonyin**"). Yonyin's indirect wholly-owned subsidiary, ZhenYuan County JiuYuan Mining Co., Ltd.* ("**Jiuyuan**") holds a mining licence with minerals of lead and zinc located at Jiujia Township, Zhenyuan County, Pu'er City, Yunnan Province, the PRC* (中國雲南省普洱市鎮沅縣九甲鄉).

The mining sector operates within PRC's stringent national regulatory framework. In recent years, the Ministry of Ecology and Environment has progressively enhanced pollution control policies through comprehensive implementation of the "Three Lines and One List" governance mechanism (encompassing Ecological Conservation Redlines, Environmental Quality Baselines, Resource Utilisation Ceilings, and Ecological Environment Access Lists). These requirements now constitute fundamental compliance benchmarks for industry operations. Within this regulatory context, the expected time of commencement of commercial production of Jiuyuan has been affected. Following an on-site inspection by regulatory authorities in early 2024, the Group received directives mandating completion of specified facility enhancements and process optimisations prior to commencement of commercial production. Furthermore, supplementary guidance from local regulators in early 2025 further verbally instructed that the project is required to complete specialised certification protocols and demonstrate compliance with core standards, including ecological preservation, production safety, and sustainable resource utilisation, before commencing commercial operations.

The Group is now using its best endeavour to fulfill regulatory requirements. After comprehensive evaluation of current compliance progression and certification requirements, including extended regulatory adjustment cycles arising from evolving standards, natural validation periods for environmental engineering components, and multi-tiered approval procedures. The Group has prudently adjusted the expected commercial production commencement to the 4th quarter of 2026.

Jinhao mine

The Group holds 73.1% equity interests in Yongming Investment Holdings Limited ("**Yongming**"). Yongming's indirect wholly-owned subsidiary, ZhenYuan County JinHao Mining Co., Ltd.* ("**Jinhao**") holds an exploration licence with minerals of copper, lead and silver located at Enshui Road (Minjiang Market Section), Zhenyuan Yi Hani Lahu Autonomous County, Pu'er City, Yunnan Province, the PRC* (中國雲南省普洱市鎮沅彝族哈尼族拉祜族自治縣恩水路(民江集貿市場段)).

Jinhao is in the process of applying the mining licence in accordance with established procedures. Under the original plan, production was expected to commence in the second half of 2025. However, project progress now requires phased adjustments due to the following critical factors:

As the project site in Pu'er City is designated an important ecological barrier zone in the upper reaches of the Yangtze River, it has been formally classified as a key mineral resource monitoring area under Yunnan Province's Mineral Resources Master Plan (2021–2025) (issued October 2022). This policy mandates, upgraded approval mechanisms requiring provincial-level direct review of new mining rights; multi-departmental joint evaluations (natural resources, ecological protection, emergency management); and Continuously enhanced ecological standards, including new requirements such as cross-border ecological corridor assessments and carbon offset obligations, which have substantially extended the approval timeline.

Additionally, developing the mining licence necessitates infrastructure investments totalling tens of millions of RMB, while the Group's current cash reserves remain insufficient to cover these costs.

The Group is now using its best endeavour to seek diversified financing solutions, including, negotiating project loans with financial institutions; exploring strategic investor partnerships and researching feasibility for government special-fund applications. As at the date of this circular, there is not yet any agreement, arrangement, understanding or negotiation on potential financing concluded by the Group.

Following a comprehensive assessment of approval progress and funding efforts, the projected production commencement is now prudently adjusted to the second half of 2026. The Group will continue optimising implementation plans, integrating policy and market resources, while strictly complying with provincial ecological and safety regulations to support efficient project advancement.

* *For identification purpose only*

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.

(A) STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix D1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 March 2025.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group as at 31 March 2025, adjusted for the effect of the Rights Issue as described below:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025	Net proceeds from the Placing of 170,100,000 Existing Shares completed on 11 June 2025	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the Placing of 170,100,000 Existing Shares completed on 11 June 2025 and upon completion of the Rights Issue	Consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share immediately after the Placing of 170,100,000 Existing Shares completed on 11 June 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share immediately after the Placing of 170,100,000 Existing Shares completed on 11 June 2025 and upon completion of the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*	*(Note 5)*
Based on 296,772,672 Rights Shares to be issued at Subscription Price of HK$0.146 per Rights Share	476,059	16,359	40,751	533,169	3.318	1.198

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 of approximately HK$476,059,000 as extracted from the published audited annual report of the Group for the year ended 31 March 2025.

2. Pursuant to the Company's announcement dated 11 June 2025, on the same date, the Company completed the placing of 170,100,000 Placing Shares at the placing price of HK$0.1 per Placing Shares (the "**Placing**"). The net proceeds from the Placing, after deduction of the commission and other expenses of the Placing, amounted to approximately HK$16,359,000. Subsequent to the Placing, the number of the shares before completion of the Share Consolidation of the Company was 1,483,863,360 with par value HK$0.1 each (the "**Existing Shares**").

3. On 27 June 2025, the Company completed the share consolidation on the basis that every ten (10) Existing Shares of the Company to be consolidated into one (1) consolidated share of the Company (the "**Share Consolidation**"). The number of the consolidated shares of the Company was 148,386,336 with par value of HK$0.01 each (the "**Consolidated Shares**"). The estimated net proceeds from the Rights Issue of approximately HK$40,751,000 is calculated based on 296,772,672 Rights Shares to be issued (in the proportion of two (2) Rights Shares for every one (1) Consolidated Share held by the Shareholders on the Record Date and assuming all Rights Shares are taken up by the Qualifying Shareholders) at the subscription price of HK$0.146 per Rights Shares, after deduction of the estimated related expenses of approximately HK$2,578,000 to be incurred by the Group.

4. The consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 March 2025 immediately after the completion of the Placing which is based on the audited consolidated net tangible assets of the Group as at 31 March 2025 of approximately HK$476,059,000 and the net proceeds from the Placing completed on 11 June 2025 of approximately HK$16,359,000 divided by 148,386,336 Consolidated Shares.

5. The consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 March 2025 immediately after the completion of the Placing and upon completion of the Rights Issue which is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2025 of approximately HK$476,059,000, the net proceeds from the Placing Completed on 11 June 2025 of approximately HK$16,359,000 and estimated net proceeds from the Rights Issue of approximately HK$40,751,000 divided by 445,159,008 shares of the Company (i.e. the sum of 148,386,336 Consolidated Shares and 296,772,672 Rights Shares to be issued).

6. Exception for the Placing completed on 11 June 2025 as described above, no adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2025.

(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, WM CPA Limited, Certified Public Accountants, Hong Kong.

WM CPA LIMITED
維文會計師事務所有限公司

Unit B, 10/F, Tower B, Billion Centre,
1 Wang Kwong Road, Kowloon Bay,
Hong Kong
T +852 3393 1671

31 October 2025

The Board of Directors
Zhong Jia Guo Xin Holdings Company Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zhong Jia Guo Xin Holdings Company Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 March 2025 as set out on pages II-1 to II-3 of the circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of two (2) rights shares for every one (1) existing share (the "**Rights Issue**") on the Group's net tangible assets as at 31 March 2025 as if the transaction had been taken place at 31 March 2025. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's audited condensed consolidated financial information as included in the annual report of the Group for the year ended 31 March 2025.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unadjusted pro forma financial information in accordance with paragraph 13 of Appendix D1B and Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.19(A) of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 March 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully,

WM CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

As at the Latest Practicable Date

Authorised:		*HK$*
250,000,000,000	Shares	2,500,000,000
Issued and fully paid:		*HK$*
148,386,336	Shares	1,483,863.36

Immediately upon completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)

Authorised:		*HK$*
250,000,000,000	Shares	2,500,000,000
Issued and fully paid:		*HK$*
445,159,008	Shares	4,451,590.08

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. 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.

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company does not hold any treasury shares.

3. DISCLOSURE OF INTERESTS

(I) Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 to the Listing Rules (the "**Model Code**") were as follows:

Long position in shares or underlying shares of the Company

Name of Director	Capacity	Number of shares or underlying shares held	Percentage of issued share capital
Jiang Xiaojun	Beneficial owner	5,600,000	3.77%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to the Model Code for securities transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

(II) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at Latest Practicable Date, the Company did not have any interests and short positions of the substantial shareholders of the Company (other than the Directors and chief executives of the Company) in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register to therein, were as follows:

Long position in shares or underlying shares of the Company

Name	Nature of interests	Total number of Shares held	Approximate percentage of shareholding
Yao Jigen *(Note 1)*	Beneficial owner	1,076,000	0.73%
	Interest of controlled corporation	23,882,380	16.09%
Full Tenda Development Limited *(Note 1)*	Beneficial owner	23,882,380	16.09%
Li Jia Yi	Beneficial owner	23,392,100	15.76%

Note:

(1) Yao Jigen personally holds 1,076,000 Shares and Full Tenda Development Limited, a company wholly and beneficially owned by Yao Jigen, holds 23,882,380 Shares. By virtue of Part XV of the SFO, Mr. Yao Jigen is deemed to be interested in the 23,882,380 Shares held by Full Tenda Development Limited. The total number of Shares beneficially owned by Mr. Yao Jigen is 24,958,380 Shares.

Save as disclosed above, as at Latest Practicable Date, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. COMPETING INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, the Company did not have any Controlling Shareholder and so far as the Directors are aware, none of the Directors or any of their respective associate(s) had any interest in a business which causes or may cause, either directly or indirectly, any significant competition with the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation).

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENTS

None of the Directors had any direct or indirect interest in any assets which had been, since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this circular which is significant in relation to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the following, there were no material contracts (not being contracts in the ordinary course of business of the Company) which had been entered into by members of the Group within two years immediately preceding the date of this Circular which are or may be material:

(a) the Placing Agreement;

(b) a placing agreement entered into between the Company and Pinestone Securities Limited (as the placing agent) on 20 May 2025, pursuant to which the placing agent agreed to place, on a best effort basis, up to 262,752,672 placing shares at the placing price of HK$0.1 per placing share to not less than six places; and

(c) a placing agreement entered into between the Company and Silverbricks Securities Limited (as the placing agent) on 25 April 2024, pursuant to which the placing agent agreed to place, on a best effort basis, up to 187,680,560 placing shares at the placing price of HK$0.105 per placing share to not less than six places.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion or advice contained in this circular:

Name	Qualification
Diligent Capital Limited	A corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity
WM CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2025, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK$2.57 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Executive Directors	**Mr. Chan Wai Fung** 21/F, CMA Building 64 Connaught Road Central, Hong Kong
	Ms. Yau Ho Yi 21/F, CMA Building 64 Connaught Road Central, Hong Kong
Non-executive Director	**Ms. Jiang Xiaojun** 21/F, CMA Building 64 Connaught Road Central, Hong Kong
Independent non-executive Directors	**Dr. Liang Jinxiang** 21/F, CMA Building 64 Connaught Road Central, Hong Kong
	Mr. Wong Chun Peng Stewart 21/F, CMA Building 64 Connaught Road Central, Hong Kong
Audit committee	Dr. Liang Jinxiang *(Chairman)* Mr. Wong Chun Peng Stewart
Nomination committee	Dr. Liang Jinxiang *(Chairman)* Mr. Chan Wai Fung Ms. Jiang Xiaojun Mr. Wong Chun Peng Stewart
Remuneration committee	Dr. Liang Jinxiang *(Chairman)* Mr. Wong Chun Peng Stewart
Company Secretary	Mr. Cheng King Yip, *HKICPA*
Authorised representatives	Mr. Chan Wai Fung Mr. Cheng King Yip
Principal banker	China Construction Bank (Asia) Corporation Limited Bank of Communications Co., Ltd. Hong Kong Branch The Hongkong and Shanghai Banking Corporation Limited

Registered office	Clarendon House, 2 Church Street Hamilton HM11, Bermuda
Head Office and Principal Place of Business	21/F, CMA Building 64 Connaught Road Central, Hong Kong
Principal Registrars	**Conyers Corporate Services (Bermuda) Limited** Clarendon House, 2 Church Street Hamilton HM11, Bermuda
Registrars in Hong Kong	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Auditor	**Reanda HK CPA Limited** *Certified Public Accountants* 21/F, Tai Yau Building 181 Johnston Road Wanchai, Hong Kong
Reporting accountants	**WM CPA Limited** *Certified Public Accountants* Unit B, 10/F, Tower B Billion Centre 1 Wang Kwong Road, Kowloon Bay Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	**Diligent Capital Limited** Room 2203, 22/F. New World Tower 1 16–18 Queen's Road Central Hong Kong
Placing Agent	**Silverbricks Securities Company Limited** Rooms 1601–07, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Legal adviser to the Company as to Hong Kong laws	**Hastings & Co.** 11th Floor, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Chan Wai Fung ("**Mr. Chan**"), aged 40, is our executive Director, chief executive officer and a member of the nomination committee. Mr. Chan appointed as chief executive officer on 19 March 2025 and executive Director on 26 March 2025. He is also a director of certain subsidiaries of the Company.

Mr. Chan has extensive experience in the areas of business management, financial market, corporate governance and corporate finance. Mr. Chan was the responsible officer in Silverbricks Securities Company Limited ("**Silverbricks**"), from February 2022 to March 2025, and he was a vice president of the Silverbricks from July 2020 to January 2022. Mr. Chan was a co-founder and director of Draco Capital Limited from October 2018 to June 2020. Mr. Chan held various positions in Haitong International Securities Group Limited starting from November 2010 to October 2018 and he last served as vice president. Mr. Chan joined the Chief Securities Group Limited from May 2008 to August 2010 as dealing officer.

Mr. Chan received his Bachelor of Social Science degree in Economics from the Chinese University of Hong Kong in 2007 and his Master of Business Administration from the Shanghai University of Finance and Economics in 2016. Mr. Chan has also been awarded the qualification of a certified Financial Risk Manager (FRM) in 2010, Chartered Financial Analyst (CFA) in 2012 and Chartered Surveyor (MRICS) in 2023. Mr. Chan is a fellow member of Chartered Institute of Management Accountants (CIMA), a Chartered Global Management Accountant (CGMA) and a member of CPA Australia.

Mr. Chan has been a non-executive director of 1957 & Co. (Hospitality) Limited (stock code 8495), a company listed on GEM of The Stock Exchange of Hong Kong Limited, since August 2022.

Ms. Yau Ho Yi ("**Ms. Yau**"), aged 33, is our executive Director, Ms. Yau has over 10 years of experience in business management, her last position was operation manager of Dragonfield Management Limited and then Ms. Yau served as a business consultant providing high-level strategic and governance support to C-suite and board members of diversified corporations. Ms. Yau received her Bachelor of Arts with Honours Business Administration from Birmingham City University in 2018.

Non-executive Director

Ms. Jiang Xiaojun ("**Ms. Jiang**"), aged 56, is our non-executive Director and a member of the nomination committee since 15 September 2025.

Ms. Jiang has over 20 years of experience in mining industry management. Ms. Jiang was an officer at Guizhou Duyun Power Plant* (貴州都匀發電廠) responsible for production management and administration management from August 1987 to May 2002. Ms. Jiang then served as a director of coal mining business at Xinchen (Group) Co., Ltd.* (鑫辰(集團)有限公司), a comprehensive company, integrating coal mining, coal storage, coal processing and coal logistics from November 2002 to August 2010. Ms. Jiang then served as a deputy general manager at Guangxi Huatai Mining Co., Ltd.* (廣西華泰礦業有限公司), a mining company owns 3 mines (containing copper, lead, nickel and zinc) from September 2010 to August 2023. Ms. Jiang then served as a business consultant for several companies. Furthermore, since 2 April 2025, she has been a director of Shun Jie International Holdings Company Limited (舜捷國際控股有限公司), which is an indirect non-wholly owned subsidiary of the Company. Ms. Jiang is mainly responsible for advising on the aforesaid company business development matters. Ms. Jiang graduated from Duyun Power Plant School for Children of Employees* (都匀發電廠子弟學校), with senior high school diploma in July 1987.

Independent non-executive Directors

Dr. Liang Jinxiang ("**Dr. Liang**"), aged 41, is our independent nonexecutive Director, the chairman of the audit committee, the remuneration committee and the nomination committee.

Dr. Liang appointed as independent non-executive Director on 2 April 2025.

Dr. Liang has extensive experience in the areas of the financial and capital markets, with over 15 years of experience in investment and mergers and acquisitions, corporate risk control, and financial audit management.

Dr. Liang's research focuses on financial and tax compliance, behavioral economics, and enterprise risk management. Dr. Liang currently serves as an adjunct professor at several universities, including Yunnan University of Finance and Economics (雲南財經大學). In recent years, Dr. Liang has also presided over or participated in multiple National Natural Science Foundation projects.

Dr. Liang serves as a president of the Shenzhen Alumni Association of Yunnan University of Finance and Economics and Chairman of its Fund Investment Committee since 2022 and as an executive dean at the Shenzhen Yun Cai Management Science Research Institute (深圳市雲財管理科學研究院) since 2019. Dr. Liang served as a chief risk officer and a member of the investment committee at several investment groups in China, overseeing corporate financial internal control and audit from 2009 to 2019. Dr.

Liang received his Master of Business Administration from Yunnan University of Finance and Economics in 2016 and his Doctor of Philosophy in International Studies from Dong-A University in 2025.

Mr. Wong Chun Peng Stewart ("**Mr. Wong**"), aged 58, is our independent non-executive Director, the member of the audit committee, the remuneration committee and the nomination committee.

Mr. Wong appointed as independent non-executive Director on 27 August 2025.

Mr. Wong has more than 30 years of experience in the legal industry. Mr. Wong worked at Deacons (formerly known as Deacons Graham & James) as a trainee solicitor from August 1993 to July 1995 and became an associate solicitor in the China Practice Group at Deacons from August 1995 to December 1996. Mr. Wong was qualified as a solicitor of the High Court of Hong Kong in September 1995. Mr. Wong has practiced law in a number of international firms such as Deacons (including posting as a representative in Beijing, the PRC) from September 2002 to March 2005, Baker McKenzie from January 2007 to July 2009 and Hogan Lovells from February 1999 to March 2002, and has worked as in-house counsel in two listed companies in Hong Kong, namely Dickson Concepts (International) Limited, which is listed on the Main Board of the Stock Exchange (the "**Main Board**") (stock code: 0113) and Samsonite International S.A., which is listed on the Main Board (stock code: 1910), from August 2009 to May 2013 and May 2013 to January 2016, respectively. Mr. Wong also practised as a consultant in law firms such as YTL & Co. from February 2017 to July 2018 and AH Lawyers from April 2020 to September 2020. Mr. Wong has been a principal of Stewart Wong & Associates since October 2020, which is a law firm where he has been involved in the provision of a wide array of legal services, including mergers and acquisitions, litigation and general commercials. He was an independent non-executive director of TL Natural Gas Holdings Limited (stock code: 8536) from 28 June 2017 to 19 June 2020 and of Kafelaku Coffee Holding Limited (stock code: 1869) from 2 November 2023 to 30 September 2024. He has been appointed an independent non-executive director of Pinestone Capital Limited (stock code: 804) since 7 September 2022. He is a director of Surpass Comsec Co Limited, which is a trust and company service provider licensed by the Registrar of Companies. Mr. Wong passed the 2023 Guangdong-Hong Kong-Macao Greater Bay Area ("**GBA**") Legal Professional Examination on 26 April 2024 and has obtained his GBA Lawyer's licence to practise as GBA Lawyer in civil and commercial legal matters in the nine Mainland municipalities of the GBA. Currently, he is affiliated with Beijing Yingke Law Firm Zhaoqing Office in Zhaoqing, Guangdong Province, the PRC. Mr. Wong graduated from the City University of Hong Kong (formally known as City Polytechnic of Hong Kong) in Hong Kong with a bachelor's degree of law with first class honours in November 1991. He also obtained his master's degree in law from the University of Cambridge in England in June 1993.

13. AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with specific written terms of reference formulated in accordance with the requirements of the Rule 3.21 and Appendix C1 of Listing Rules. The Audit Committee currently consists of all the Independent non-Executive Directors ("**INEDs**"), namely Dr. Liang Jinxiang and Mr. Wong Chun Peng Stewart. Dr. Liang Jinxiang is the chairman of our Audit Committee. The primary duties of our Audit Committee are mainly (i) to make recommendations to the Board on the appointment and removal of external auditors; (ii) to review and supervise the financial statements and provide advices in respect of financial reporting; (iii) to oversee internal control procedures and corporate governance of our Company; (iv) to supervise internal control systems of our Group; and (v) to monitor any continuing connected transactions.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zhongjiagx.com) for a period of 14 days from the date of this circular:

(a) the Placing Agreement;

(b) the letter from the Board, the text of which is set out on pages 10 to 38 of this circular;

(c) the letter from the Independent Board Committee, the text of which is set out on page 39 of this circular;

(d) the letter from Independent Financial Adviser, the text of which is set out on pages 40 to 71 of this circular;

(e) the accountant's report on the unaudited pro forma financial information of the Group issued by WM CPA Limited, the text of which is set out in Appendix II to this circular;

(f) the material contracts referred to in the paragraph headed "8. Material contracts" of this appendix;

(g) the written consent of the expert as referred to in the section headed "9. Expert and Consents" of this appendix; and

(h) this circular.

15. MISCELLANEOUS

(a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(b) As at the Latest Practicable Date, there was no contract for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group's business.

(c) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.

(d) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

* *For identification purpose only*

Zhong Jia Guo Xin Holdings Company Limited
中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Zhong Jia Guo Xin Holdings Company Limited (the "**Company**") will be held at 11:00 a.m. on Thursday, 20 November 2025 at 22/F., Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong (the "**Meeting**"), for the purpose of considering and, if though fit, passing the following resolution as ordinary resolution of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 31 October 2025 (the "**Circular**"):

ORDINARY RESOLUTION

"**THAT** conditional upon (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked; (ii) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance; and (iii) the Placing Agreement not having been terminated in accordance with its terms:

(a) the allotment and issue of 296,772,672 Rights Shares by way of Rights Issue at the Subscription Price of HK$0.146 per Rights Share on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date other than those Non-Qualifying Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong, whom the Directors, after making enquiry regarding the legal restrictions under the laws of relevant place and requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from Rights Issue, based on legal advice provided by legal advisers in the relevant jurisdictions, and the transactions contemplated thereunder, be and are hereby approved;

(b) the Placing Agreement dated 15 September 2025 entered into between the Company and the Placing Agent and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(c) the Board or a committee thereof be and is/are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Board may make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as it may deem necessary or expedient having regard to the legal restrictions under the laws of the place and requirements of the relevant regulatory body or stock exchange; and

(d) any Director be and is hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder."

By order of the Board
Zhong Jia Guo Xin Holdings Company Limited
Chan Wai Fung
Executive Director and Chief Executive Officer

Hong Kong, 31 October 2025

Registered office in Bermuda:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
21/F, CMA Building
64–66 Connaught Road Central
Central
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint in written form one or, if he is the holder of two or more shares (the "**Shares**") of the Company, more proxy(ies) to attend and vote instead of him. A proxy need not be a member of the Company.

2. In order to be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same, and must be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company (the "**Hong Kong Share Registrar**"), Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Meeting (i.e. by 11:00 a.m. on Tuesday, 18 November 2025 or any adjournment thereof.

3. For determining the entitlement of the Shareholders to attend and vote at the Meeting, the register of members of the Company will be closed from Friday, 14 November 2025 to Thursday, 20 November 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 November 2025.

4. Completion and return of the form of a proxy shall not preclude a member of the Company from attending and voting at the Meeting or any adjournment thereof.

5. In the case of joint holders of Share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, that one of the said persons so present whose names stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.

6. The voting at the Meeting or its adjourned Meeting will be taken by poll.

7. If tropical cyclone warning signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 7:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of the Company at www.zhongjiagx.com and on the website of the Stock Exchange at www.hkexnews.hk to notify the Shareholders of the date, time and place of the re-scheduled Meeting. If a tropical cyclone warning signal No. 8 or above or a "black" rainstorm warning signal is lowered or cancelled at or before 7:00 a.m. on the date of the Meeting and where conditions permit, the Meeting will be held as scheduled. The Meeting will be held as scheduled when an "amber" or "red" rainstorm warning signal is in force.

8. In case of discrepancy between the English version and the Chinese version of this notice of the SGM, the English version shall prevail.

As at the date of this notice, the Board consists of two executive Directors, Mr. Chan Wai Fung and Ms. Yau Ho Yi; one non-executive Director, Ms. Jiang Xiaojun; and two independent non-executive Directors, Dr. Liang Jinxiang and Mr. Wong Chun Peng Stewart.