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Zhixin Group Holding Limited

智欣集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2187)

CHANGE IN USE OF PROCEEDS FROM LISTING

References are made to (i) the prospectus of Zhixin Group Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 16 March 2021 in relation to the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Listing**"), (ii) the announcement of the Company dated 26 August 2022 in relation to the updated intended utilisation of net proceeds (the "**Announcement**"); and (iii) the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the 2025 Interim Report.

Net proceeds (the "**Net Proceeds**") from the Listing, after deducting the underwriting fees, commissions and expenses in connection with the Listing, amounted to approximately HK$238.7 million. Since the Listing Date and up to the date of this announcement, the Company has utilised approximately HK$233.3 million of the Net Proceeds, leaving a balance in the sum of approximately HK$5.4 million remaining unutilised (the "**Unutilised Net Proceeds**"), representing approximately 2.3% of the Net Proceeds.

On 16 March 2026, the Board resolved to reallocate the use of the Unutilised Net Proceeds in the sum of approximately HK$5.4 million, which was originally intended for expanding the Group's PC component production capacity, to the settlement of outstanding bank borrowings of the Group. An analysis of the utilisation of the Net Proceeds as at the date of this announcement and the proposed reallocation of the Unutilised Net Proceeds is set out below:

		Planned use of Net Proceeds as disclosed in the Announcement *(HK$ million)*	**Net Proceeds utilised as at the date of this announcement** *(HK$ million)*	**Net Proceeds unutilised as at the date of this announcement** *(HK$ million)*	**Proposed application of the Unutilised Net Proceeds** *(HK$ million)*	**Expected timetable for proposed use of the Unutilised Net Proceeds**
(i)	Expanding the Group's PC component production capacity	24.5	19.1	5.4	—	N/A
(ii)	Enhancing the Group's information technology system	1.2	1.2	—	—	N/A
(iii)	Improving the Group's environmental protection system	1.2	1.2	—	—	N/A
(iv)	Acquiring mixer and concrete pump trucks	2.0	2.0	—	—	N/A
(v)	General working capital	105.3	105.3	—	—	N/A
(vi)	Repayment of borrowings	104.5	104.5	—	5.4	By December 2026

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Having considered the business needs of the Group in light of the intense market competition on PC components in Xiamen and the Group's financial needs, the Company intends to apply the Unutilised Net Proceeds to repay the Group's borrowings. As disclosed in the 2025 Interim Report, the Group had current borrowings of approximately RMB121.1 million as at 30 June 2025. The Group's gearing ratio as at 30 June 2025 was approximately 54%. In light of the above, the Board considers that the reallocation of the Unutilised Net Proceeds would allow the Company to deploy its idle financial resources in a more effective manner to meet its financial needs, and is therefore in the interests of the Group and the Shareholders as a whole.

The Board considers that the proposed change in the use of proceeds from the Listing will not have any material adverse effect on the existing business and operation of the Group. The Board will continuously assess the plan for the use of the Unutilised Net Proceeds and may revise or amend such plan as and when necessary and appropriate.

By Order of the Board
Zhixin Group Holding Limited
Ye Zhijie
Chairman and Executive Director

Hong Kong, 16 March 2026

As at the date of this announcement, the Board comprises Mr. Ye Zhijie, Mr. Huang Wengui, Mr. Lai Quanshui, Mr. Qiu Limiao, Mr. Ye Dan and Mr. Huang Kaining as executive directors; and Ms. Wong Tuen Sau, Mr. Cai Huinong and Mr. Jiang Qinjian as independent non-executive directors.