# 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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred all your shares in China Health Technology Group Holding Company Limited** (the "**Company**"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

CHINA HEALTH

China Health Technology Group Holding Company Limited
中國健康科技集團控股有限公司
*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1069)**

# (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Placing Agent to the Company**

駿達證券有限公司
Tiger Faith Securities Limited

**Independent Financial Adviser**

紫荆金融 ZI JING

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 10 to 34 of this circular. A notice convening the EGM to be held on Tuesday, 12 May 2026 at 3:30 p.m. at Room 1803, Zhongzhou Building, No. 3088 Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen is set out on pages EGM-1 to EGM-3 of this circular and a form of proxy for the EGM is despatched together with this circular.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) will be placed to independent Placees on a best effort basis through the Placing. The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

It should be noted that the Shares will be dealt in on an ex-rights basis from Thursday, 14 May 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 28 May 2026 to Thursday, 4 June 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in the existing Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be on Tuesday, 7 July 2026) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights. 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).

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office, 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 less than 48 hours before the time fixed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. In such event, the form of proxy shall be deemed to be revoked.

24 April 2026

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

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| "AFRC" | the Accounting and Financial Reporting Council |
| "Announcement" | the announcement of the Company dated 27 March 2026 in relation to the Rights Issue and the Placing |
| "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 |
| "Companies (WUMP) Ordinance" | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company" | China Health Technology Group Holding Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1069) |
| "Director(s)" | the director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder |

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| "ES Unsold Rights Shares" | the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that have not been sold by the Company |
| "Excluded Shareholder(s)" | the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas 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 |
| "Listing Committee" | has the meaning ascribed to it under the Listing Rules |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollar(s), the lawful currency of Hong Kong |
| "HKSCC" | Hong Kong Securities Clearing Company Limited |
| "Hong Kong" | Hong Kong Special Administrative Region of the People's Republic of China |
| "Independent Board Committee" | an independent board committee of the Board comprising all the independent non-executive Directors to be established to advise the Independent Shareholders in respect of the Rights Issue and the Placing Agreement |
| "Independent Financial Adviser" or "Zijing Capital" | Zijing Capital Limited, a licensed corporation carrying out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Placing Agreement |
| "Independent Shareholder(s)" | any Shareholder(s) who is(are) not required to abstain from voting on the resolution(s) relating to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM under the Listing Rules |

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| "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" | Friday, 27 March 2026, last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement |
| "Latest Practicable Date" | 17 April 2026, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein |
| "Latest Time for Acceptance" | 4:00 p.m. on Tuesday, 9 June 2026 (or such later time or date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares |
| "Latest Time for Termination" | 4:00 p.m. on Tuesday, 7 July 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 |
| "MGO Obligation" | the obligation to make a mandatory general offer under the Takeovers Code |
| "Ms. Huang" | Ms. Huang Hou, a substantial Shareholder who is interested in 8,056,800 Shares (approximately 7.83% of the issued share capital of the Company) through China Sports Asset Management Co., Limited and Zhonggangtong International Holding Group Co., Limited as at the Latest Practicable Date |
| "Nil-paid Rights" | the nil-paid rights of the Qualifying Shareholders to be allotted the Rights Shares pursuant to the Rights Issue |
| "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 |

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| "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 Placing Shares pursuant to the Placing Agreement |
| "Placing" | the placing of the Placing 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" | Tiger Faith Securities Limited, a company incorporated in Hong Kong with limited liabilities and licensed by the SFC to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activity under SFO |
| "Placing Agreement" | the placing agreement dated 27 March 2026 entered into between the Company and the Placing Agent in relation to the Placing |
| "Placing Period" | a period commencing from the first Business Day after the date of announcement of the number of the Placing Shares, which is expected to be Wednesday, 17 June 2026, and ending at 4:00 p.m. on Monday, 6 July 2026, or such other dates as the Company may announce |
| "Placing Price" | the placing price of the Placing Shares which shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable) |
| "Placing Shares" | the Unsubscribed Rights Shares and the ES Unsold Rights Shares to be placed to the Placee(s) by the Placing Agent |
| "PRC" | the People's Republic of China |
| "Prospectus" | the prospectus to be issued to the Shareholders containing details of the Rights Issue |
| "Prospectus Documents" | the Prospectus and the PAL |

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| "Prospectus Posting Date" | Tuesday, 26 May 2026 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders |
| "Public Float Requirement" | the public float requirement under Rule 8.08 of the Listing Rules |
| "Qualifying Shareholder(s)" | Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date |
| "Record Date" | Friday, 22 May 2026 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 |
| "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 205,848,440 new 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 |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Scale-down PAL Shares" | such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company |
| "SFC" | the Securities and Futures Commission |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |

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| "Share(s)" | ordinary shares of HK$0.1 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$0.25 per Rights Share under the Rights Issue |
| "substantial shareholder(s)" | has the meaning as ascribed thereto under the Listing Rules |
| "Takeovers Code" | The Hong Kong Code on Takeovers and Mergers |
| "Unsubscribed Rights Share(s)" | the Rights Shares that are not subscribed by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of Nil-paid Rights under the PAL(s) |
| "%" | per cent |

*The expected timetable for the Rights Issue and the Placing is set out below:*

| **Event** | **Date and time** |
|---|---|
| Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM | 4:30 p.m., Monday, 4 May 2026 |
| Closure of register of members for determination of the right to attend and vote at the EGM (both days inclusive) | Tuesday, 5 May 2026 to Tuesday, 12 May 2026 |
| Latest time for lodging proxy forms for the EGM | 3:30 p.m., Sunday, 10 May 2026 |
| Record date for attendance and voting at the EGM | Tuesday, 12 May 2026 |
| Expected time and date of the EGM | 3:30 p.m., Tuesday, 12 May 2026 |
| Announcement of the poll results of the EGM | Tuesday, 12 May 2026 |
| Register of members re-opens | Wednesday, 13 May 2026 |
| Last day of dealings in the Shares on a cum-rights basis of the Rights Issue | Wednesday, 13 May 2026 |
| First day of dealings in the Shares on an ex-rights basis of the Rights Issue | Thursday, 14 May 2026 |
| Latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue | 4:30 p.m., Friday, 15 May 2026 |
| Closure of register of members for the Rights Issue (both days inclusive) | Monday, 18 May 2026 to Friday, 22 May 2026 |
| Record Date for the Rights Issue | Friday, 22 May 2026 |
| Register of members of the Company reopens | Tuesday, 26 May 2026 |
| Despatch of Prospectus Documents (including the PAL and the Prospectus) (in the case of the Excluded Shareholders, the Prospectus only) | Tuesday, 26 May 2026 |

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| First day of dealing in nil-paid Rights Shares | Thursday, 28 May 2026 |
| Latest time for splitting the PALs | 4:30 p.m., Monday, 1 June 2026 |
| Last day of dealing in nil-paid Rights Shares | Thursday, 4 June 2026 |
| Latest time for Acceptance of and payment for the Rights Shares | 4:00 p.m., Tuesday, 9 June 2026 |
| Announcement of results of the Rights Issue including the number of Placing Shares subject to the Placing | Tuesday, 16 June 2026 |
| Commencement of placing of Placing Shares (if any) by the Placing Agent | Wednesday, 17 June 2026 |
| Despatch of share certificates for fully-paid Rights Shares | Wednesday, 17 June 2026 |
| Despatch of refund cheques if the Rights Issue does not proceed | Wednesday, 17 June 2026 |
| Commencement of dealings in fully-paid Rights Shares | 9:00 a.m., Thursday, 18 June 2026 |
| Latest time for the Placing Agent to place the Placing Shares | 4:00 p.m., Monday, 6 July 2026 |
| Latest time for Termination of the Placing Agreement | 4:00 p.m., Tuesday, 7 July 2026 |

All times and dates in this circular refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this circular are indicative only and may be extended, amended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

**EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance will not take place at the time indicated above if there is a tropical cyclone warning signal no. 8 or above, or "extreme conditions" caused by super typhoons announced by the Government of Hong Kong or a "black" rainstorm warning:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 9 June 2026. Instead, the Latest Time for Acceptance of and payment for the Rights Shares 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 Tuesday, 9 June 2026. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Tuesday, 9 June 2026, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.



CHINA HEALTH

China Health Technology Group Holding Company Limited
中國健康科技集團控股有限公司
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock code: 1069)**

*Executive Directors:*
Ms. Bu Xue *(Chairman and Chief Executive Officer)*
Ms. Cao Xiying

*Independent non-executive Directors:*
Mr. Chau Wing Nam
Ms. Liu Shuhua
Mr. Li Liangjie

*Registered office:*
PO Box 1350
Windward 3
Regatta Office Park
Grand Cayman
KY1-1108
Cayman Islands

*Principal Place of Business in Hong Kong:*
Unit 12, 12/F, Tower A,
New Mandarin Plaza,
No. 14 Science Museum Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong

24 April 2026

*To the Shareholders,*

Dear Sir or Madam,

## (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

## INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue and the Placing Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue and the Placing Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the Placing Agreement; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM.

## PROPOSED RIGHTS ISSUE

On 27 March 2026, the Board resolved to propose the Rights Issue, details of which are summarised below:

### Rights Issue statistics

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|---|---|---|
| Basis of the Rights Issue | : | two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date |
| Maximum number of Rights Shares to be issued | : | 205,848,440 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) |
| Subscription Price | : | HK$0.25 per Rights Share |
| Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses) | : | Approximately HK$0.24 per Rights Share |
| Maximum gross proceeds to be raised from the Rights Issue before expenses | : | Approximately HK$51.5 million |
| Maximum net proceeds to be raised from the Rights Issue after expenses | : | Approximately HK$50.0 million |
| Number of Shares in issue (excluding treasury shares, if any) as at the Latest Practicable Date | : | 102,924,220 Shares |

| | | |
|---|---|---|
| Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed) | : | 308,772,660 Shares (assuming no change in the number of Shares in issue on or before the Record Date) |
| Aggregate nominal value of the Rights Shares | : | HK$20,584,844 (assuming no change in the number of Shares in issue on or before the Record Date) |

Assuming there is no change to the total issued share capital of the Company on or before the Record Date, 205,848,440 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) approximately 200.00% of the total issued share capital of the Company (excluding treasury shares, if any) as at the date Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company (excluding treasury shares, if any) as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

As at the Latest Practicable Date, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date. As at the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

**The Subscription Price**

The Subscription Price is HK$0.25 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of the Nil-paid Rights applies for the Rights Share(s).

The Subscription Price represents:

(i) discount of approximately 20.63% to the closing price of HK$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 19.35% to the average closing price of approximately HK$0.310 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 24.24% to the average closing price of approximately HK$0.33 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 7.98% to the theoretical ex-rights price of approximately HK$0.272 per Share based on the closing price of HK$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 13.76% of the theoretical diluted price of approximately HK$0.272 per Share to the benchmarked price of approximately HK$0.315 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price of HK$0.315 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK$0.309 per Share; and

(vi) a discount of approximately 54.79% to the net asset value of the Company of approximately HK$0.553 per Share based on the latest published unaudited net asset value attributable to owners of the Company of approximately HK$56.89 million as at 31 December 2025 as set out in the interim results of the Company for the six months ended 31 December 2025 and the total number of issued Shares of 102,924,220 Shares as at the date of this circular.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK$0.24 (assuming no change in the number of Shares in issue on or before the Record Date).

During the 12-month period immediately preceding the date of the Latest Practicable Date, the Company has not undertaken any rights issue, open offer or specific mandate placing. The theoretical diluted price, the benchmarked price and theoretical dilution effect (as those terms are defined under Rule 7.27B of the Listing Rules) for the Rights Issue are approximately HK$0.272 per Share, HK$0.315 per Share and 13.76%, respectively. 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 Board has noted the relatively large discount mentioned in (vi) above. Nevertheless, taking into account of the fact that the Shares were traded at a relatively large discount to the net asset value attributable to the Shareholders per Share for the one month preceding the Last Trading Day ranging from approximately 22.24% to 44.85%, approximately 33.50% and the share price is on the downward trend which reflected the current market sentiment, the Board is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price.

The Subscription Price was determined by the Board with reference to, among others, (i) the market price of the Shares under the prevailing market conditions in Hong Kong; (ii) the latest financial position of the Group; (iii) the reasons for and benefits of the Rights Issue as discussed in the section headed ''Reasons for and Benefits of the Rights Issue and the Use of Proceeds'' in this circular.

The Board considers, 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.

**Non-underwritten Basis**

On a best efforts basis through the Placing under Rule 7.21(1) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue.

Subject to the fulfilment of conditions of the Rights Issue, 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 that the Rights Issue is not fully subscribed, any Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) together with the ES Unsold Rights Shares (collectively, the Placing Shares) will be placed to independent Placees on a best effort basis through the Placing. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, to avoid the unwitting triggering of MGO Obligation and non-compliance of Public Float Requirement, all applications for Rights Shares whether under the PAL(s), or by transferees of Nil-paid Rights will be made on the basis that the applications are to be scaled down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares will be refunded to the applicants.

**Conditions of the Rights Issue**

The Rights Issue is conditional upon:

(i) the passing by the Independent Shareholders at the EGM 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) by no later than the Prospectus Posting Date;

(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 electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively 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 resolution of the Directors no later than the Prospectus Posting Date of the Prospectus Documents and other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Listing Rules and the Companies (WUMP) Ordinance;

(iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date; and

(v) the Placing Agreement not being terminated pursuant to the terms thereof and remaining 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 the proposed Rights Issue is subject to the above conditions, it may or may not proceed.**

**Basis of provisional allotments**

The Rights Shares will be allotted on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus Documents.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for.

**Status of the Rights Issue**

The Rights Shares (when allotted, issued and fully paid or credited as fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid 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 and will not be extended to the Excluded Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Friday, 15 May 2026 (Hong Kong time).

It is expected that the last day of dealings in the Shares on a cum-rights basis is Wednesday, 13 May 2026, and the Shares will be dealt with on an ex-rights basis from Thursday, 14 May 2026.

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 Excluded 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 his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded 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 relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK$100 for its own benefit. The expected payment date for the net gain is Tuesday, 6 July 2026.

Any Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs together with the ES Unsold Rights Shares (collectively, the Placing Shares) will, on a best effort basis, be placed by the Placing Agent to independent Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), at the Subscription Price.

**Rights of the Overseas Shareholder(s) (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.

Pursuant to the notes to Rule 13.36(2)(a) of the Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to 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 Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. As at the date of this circular, the Company does not have any Overseas Shareholders.

**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 the notes 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.**

**Certificates of the Rights Shares and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for the fully-paid Rights Shares; and (ii) refund cheques if the Rights Issue does not proceed are expected to be posted on or before Thursday, 18 June 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

**Fractional Entitlements to the Rights Shares**

On the basis of provisional allotment of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

**Application for listing of the Rights Shares and applicable fees**

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 nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

**Stamp duty and other applicable fees**

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 subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

**Taxation**

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 Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

**Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and the 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 their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

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

**Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Placing**

The Company will make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering them as Placing Shares to independent Placees through the Placing.

Accordingly, on 27 March 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (collectively, the Placing Shares) to independent Placees on a best effort basis. Pursuant to the Placing Agreement, the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure on a best effort basis not less than six (6) Placees to subscribe for the Placing Shares at the Subscription Price during the Placing Period. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange and the EGM. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 6 July 2026, acquires for all (or as many as possible) of those Placing Shares. **Under the terms of the Placing Agreement, if all the Rights Shares are already fully**

**taken up in the Rights Issue through the PAL(s), the Placing will not proceed.** Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

**THE PLACING AGREEMENT**

On 27 March 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure on a best effort basis not less than six (6) Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), to subscribe for the Placing Shares at the Subscription Price during the Placing Period on and subject to the terms and conditions set out in the Placing Agreement. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange and the EGM.

Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue, i.e. all the Rights Shares are fully subscribed by the Qualifying Shareholders or renouncee(s) or transferee(s) under the PAL(s), the Placing will not proceed.

Principal terms of the Placing Agreement are summarised as follows:

| | | |
|---|---|---|
| Date | : | 27 March 2026 (after trading hours) |
| Issuer | : | the Company |
| Placing Agent | : | Tiger Faith Securities Limited<br><br>The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties. |
| Placing Price | : | The placing price of each of the Placing Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable). |
| Placing Period | : | The period from Wednesday, 17 June 2026 up to 4:00 p.m. on Monday, 6 July 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing. |

Placing Commission : The Company shall pay the Placing Agent a placing commission equivalent to 4% of the amount which is equal to the Placing Price multiplied by the total number of the Placing Shares which are successfully placed by the Placing Agent.

The Board has noted that the highest placing commission currently prevailing in the market is up to 5%. Having considered the foregoing, the Board is of the view that the placing commission payable to the Placing Agent at the rate of 4% is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Placees : The Placing Shares are expected to be placed to placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

For the avoidance of doubt, none of the Placees shall become a substantial shareholder of the Company.

Ranking of the placed Placing Shares : The placed Placing 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 under the Placing Agreement are conditional upon the following conditions being fulfilled:

(i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;

(ii) 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 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

(iii) 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 or any part of the above conditions (other than the condition set out in paragraph (i) above) by notice in writing to the Company. The Company shall use its best endeavours to procure the fulfilment of such conditions precedent by 4:00 p.m. on Tuesday, 7 July 2026 (the "Long Stop Date"). If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, 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.

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

The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time on or prior to the Long Stop Date if any of the following events occur at any time prior to the Long Stop Date:

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

(b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Long Stop Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If notice of termination is given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

| | | |
|---|---|---|
| Board lot size of Rights Shares (in both nil-paid and fully-paid forms) | : | 10,000 Shares |

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. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Placing Shares will be placed by the Placing Agent to independent Placees on a best effort basis. The net proceeds from the Placing will be utilised for the same purposes as described in the section headed "Reasons for and Benefits of the Rights Issue and the Use of Proceeds" in this circular.

Given that the Placing would provide (i) a distribution channel of the Placing Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, so that the Placing would allow the Company to raise the shortfall of funds required where possible after the Rights Issue, the Board considers that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Placing Agent shall use its best endeavours and make all reasonable enquiries to ensure that the Placing Shares are placed (i) to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules); (ii) such that no Placees, together with parties acting in concert with the respective Placees or any of the connected persons or associates of the respective Placees, shall hold in aggregate 30% or more of the voting rights of the Company immediately upon the completion of the Placing or otherwise trigger any MGO Obligation under the Takeovers Code immediately upon the completion of the Placing; and (iii) such that the Public Float Requirement be complied with by the Company immediately upon the completion of the Placing.

## REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the businesses of forestry management, ginseng plantation and trading, horny goat weed plantation and trading, health products trading and investment holding.

The Group's forestry management business generates revenue primarily from the sale of timber logs harvested from the Group's forests located in Sichuan Province, the PRC. The Group commenced its ginseng plantation business in August 2022 and has been expanding its ginseng trading operations since then. In June 2024, the Group commenced the plantation of horny goat weed in its forest land. The Group commenced its health products manufacturing and trading business in November 2024 and has opened a retail store in Hong Kong selling ginseng gift boxes and other health products.

During the year ended 30 June 2025 ("**FY2025**"), the Group recorded revenue of approximately RMB90.2 million, representing a year-on-year increase of approximately 89.5% as compared to that for the year ended 30 June 2024 ("**FY2024**"). The Group's revenue for FY2025 was attributable to the forestry management business, the ginseng business and the health products business, contributing approximately RMB36.6 million, RMB39.5 million and RMB14.1 million to the Group's total revenue, respectively. The Group's profit decreased significantly from approximately RMB200.0 million for FY2024 to approximately RMB22.7 million for FY2025. Such substantial decrease was mainly due to the one-off gain of approximately RMB202.0 million on debt restructuring recorded for FY2024.

**Forestry management business**

The Group successfully obtained the logging permits during the year of 2025 with logging quantity of 12,368 cubic meters in aggregate in June 2025, which is higher than the logging quantity obtained in 2024. During FY2025, the Group completed the sales of logging quantity of approximately 18,016 cubic meters and generated logging revenue of approximately RMB36.6 million. The Group's forests are located in Jiange County, Sichuan Province, the PRC, with a total leasehold land base of approximately 117,354 Chinese Mu (equivalent to approximately 7,824 hectares) across five forest areas, namely, the Hengchang Forest, the Kunlin Forest, the Senbo Forest, the Ruixiang Forest and the Wantai Forest as set out in the annual report of the Company for FY2025.

**Ginseng business**

The Group has been expanding its ginseng plantation and trading operations since August 2022. During FY2025, the Group recorded revenue of approximately RMB39.5 million from the ginseng business, comprising approximately RMB25.0 million from the sale of ginseng purchased from suppliers and approximately RMB14.5 million from its self-grown ginseng. To reduce reliance on external suppliers, the Group intends to gradually decrease the purchases of aged ginseng from suppliers as it builds up its self-grown inventory of aged ginseng.

**Horny goat weed business**

The Group successfully planted the first batch of horny goat weed in its forest land in June 2024 and added 28 Chinese Mu of horny goat weed cultivation in July 2024. It is expected that the horny goat weed will be sold to customers by June 2026 and generate revenue in the future.

**Health products business**

The Group commenced its manufacturing and trading of health products in November 2024 and has opened a retail store in Hong Kong. The store currently sells ginseng gift boxes under the Group's own brand name and other health products. During FY2025, the Group recorded revenue of approximately RMB14.1 million from the health products business. The Group aims to expand its health products market into the PRC in the future and will continue to provide customers with high-quality health products to promote its business growth.

Taking into consideration (i) the Group's established and growing forestry management, ginseng and health products businesses; (ii) the anticipated increase in logging quota for the Group's forests; (iii) the Group's plans to expand its ginseng plantation and reduce reliance on external suppliers; and (iv) the Group's intention to expand its health products business into the PRC market, the Group plans to continue developing and expanding its existing businesses and to diversify into a new business area, namely, the medical aesthetics industry, in order to enhance the overall financial performance of the Group and generate greater returns for the Shareholders.

In connection with the expansion into the medical aesthetics industry, the Group intends to establish a new branch in the PRC to operate the medical aesthetics business. The Board is of the view that the Group has the necessary foundation to pursue this new business direction. Although the Directors do not have direct experience in the medical aesthetics industry, they have extensive experience in managing and operating businesses across different industries, which the Board considers sufficient to oversee the proposed business at its initial stage. The Directors will also consider appointing a new Director with relevant expertise in the medical aesthetics industry should the business further expand in the future.

With respect to the expected scale of operations in the PRC, the Company currently plans to employ approximately 10 employees in connection with the medical aesthetics business, including two doctors. The annual operating costs of the medical aesthetics business are estimated to be approximately RMB6.0 million. The Company will continue to monitor and review the scale of its operations and manpower arrangements as the business develops.

The Directors wish to emphasise that they have no intention to dispose of or downsize any of the Group's existing businesses, including its forestry management and ginseng businesses, both of which will continue to be operated as core business segments of the Group.

**Funding Needs of the Group**

The Board considers that the Group has imminent funding needs for its business expansion and debt management, taking into consideration the following:

- as illustrated above, it is the Group's business strategies to (i) further expand its ginseng plantation business by acquiring additional ginseng plantation land; (ii) invest in the medical aesthetics industry as a new business segment of the Group; and (iii) strengthen the general working capital of the Group to support its ongoing business operations. The management of the Group anticipates that the Group's business strategies will significantly increase its working capital requirement. Having considered the Group's current scale of operations, recurrent working capital requirement and current available cash resources, the management of the Company considers that the Group has genuine needs to raise funds for financing its expansion plans;

- as at the date of this circular, the Group had outstanding promissory notes in the principal amount of HK$120.0 million (equivalent to approximately RMB110.03 million), which were issued on 28 July 2023 and are payable to Independent Third Parties. These outstanding promissory notes have a maturity of five years (i.e. maturing on 28 July 2028) and carry a stepped interest rate of nil for the first year, 2% per annum for the second year, 3% per annum for the third year, 4% per annum for the fourth year and 6% per annum for the fifth year, payable annually in arrears.

The promissory notes are secured by a charge over all forest lands owned by the Group. As at 30 June 2025, the remaining balance of the promissory notes was approximately RMB115.6 million; and

- the Group has considered obtaining banking facilities from licensed banks in Hong Kong for funding its business expansion. Based on preliminary discussions with licensed banks, such banking facilities would be required to be secured by the Group's assets. Taking into consideration the existing carrying amount of the property, plant and equipment of the Group, the Directors consider that the Group may not have sufficient assets for fulfilling the security requirements for obtaining banking facilities. In addition, debt financing will result in additional interest burden and higher gearing ratio of the Group, and subject the Group to repayment obligations. Therefore, the management of the Company considers that it is in the interests of the Company and the Shareholders as a whole to proceed with the Rights Issue instead of debt financing.

Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK$1.5 million) is expected to be approximately HK$50.0 million. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

(a) approximately HK$22.0 million (being approximately 44.00% of the net proceeds) is intended to be used for the expansion of the scale of ginseng plantation by various means, including but not limited to acquisition of forests and other plantation sites and related marketing and promotion activities to support the Group's expansion in the ginseng business;

(b) approximately HK$18.0 million (being approximately 36.00% of the net proceeds) is intended to be used for investment in the medical aesthetics industry, including but not limited to the acquisition of equipment, establishment of operational facilities and related business development; and

(c) approximately HK$10.0 million (being approximately 20.00% of the net proceeds) is intended to be used for general working capital of the Group, including but not limited to salary expenses and other office and corporate expenses.

In the event that there is an under-subscription 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 Group has considered obtaining banking facilities from licensed banks in Hong Kong for funding its business expansion. Based on preliminary discussions with licensed banks, such banking facilities would be required to be secured by the Group's assets. Taking into consideration the existing carrying amount of the property, plant and equipment of the Group, the Directors consider that the Group may not have sufficient assets for fulfilling the security requirements for obtaining banking facilities. The Directors also 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. Furthermore, the Group had outstanding promissory notes in the principal amount of HK$120.0 million (equivalent to approximately RMB110.03 million) which were issued on 28 July 2023 and the remaining balance of the promissory notes was approximately RMB115.6 million as at 30 June 2025. The next payment of the interest of HK$3.6 million incurred from the promissory notes by the Group will be on 28 July 2026, being the stepped interest rate of 3% per annum for the third year of the outstanding promissory notes. Therefore, the management of the Company considers that it is in the interests of the Company and the Shareholders as a whole to proceed with the Rights Issue instead of debt financing.

As for equity fund raising, such as placing of new Shares, it is 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. The Company had conducted equity fund raising activities by placing of 17,000,000 new Shares with net proceeds of approximately HK$4.63 million in the past twelve months immediately prior to the Announcement, which had been fully utilised as intended. In the event that a placing of new Shares were to be conducted again, the shareholding interest of the existing Shareholders would be further diluted.

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. The Placing arrangement, which involves the placement of the Placing Shares at the Subscription Price, serves to maximise the funds to be raised.

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 Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

## FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately prior to the date of the Announcement:

| Date of announcement | Completion date | Fund raising activity | Net proceeds raised (approximately) | Intended use of proceeds | Actual use of proceeds as at the date of this announcement |
|---|---|---|---|---|---|
| 22 July 2025 | 1 August 2025 | Placing of 17,000,000 new shares at the placing price of HK$0.28 per placing share under general mandate granted to the Directors at the annual general meeting of the Company held on 30 December 2024 | HK$4.63 million | (i) Approximately HK$1.45 million for rental expenses; (ii) approximately HK$0.58 million for staff costs; and (iii) approximately HK$2.60 million for professional fees | The net proceeds have been fully utilised as intended. |

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the date of the Announcement.

## CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of the Placing Shares are placed by the Placing Agent:

| | | | | | Immediately upon completion of the Rights Issue | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Assuming full acceptance of the Rights Shares by the Qualifying Shareholders | | Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent | | Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of the Placing Shares are placed by the Placing Agent | |
| **Shares by the Shareholder** | **As at the date of the Latest Practicable Date** | | | | | | | |
| | *Number of issued Shares* | *%* | *Number of issued Shares* | *%* | *Number of issued Shares* | *%* | *Number of issued Shares* | *%* |
| Ms. Huang *(Note 1)* | 8,056,800 | 7.83 | 24,170,400 | 7.83 | 8,056,800 | 2.61 | 8,056,800 | 7.83 |
| Public Shareholders | | | | | | | | |
| – Independent Placees *(Note 2)* | – | – | – | – | 205,848,440 | 66.67 | – | – |
| – Other public Shareholders | 94,867,420 | 92.17 | 284,602,260 | 92.17 | 94,867,420 | 30.72 | 94,867,420 | 92.17 |
| **Total** | **102,924,220** | **100.00** | **308,772,660** | **100.00** | **308,772,660** | **100.00** | **102,924,220** | **100.00** |

*Notes:*

1. These 8,056,800 Shares comprise 1,020,000 Shares and 7,036,800 Shares held by Ms. Huang through China Sports Asset Management Co., Limited ("**China Sports**") and Zhonggangtong International Holding Group Co., Limited ("**Zhonggangtong International**"), respectively, each of which is ultimately controlled by Ms. Huang. Pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, Ms. Huang is deemed to have an interest in all Shares in which each of China Sports and Zhonggangtong International has, or is deemed to have, an interest.

2. As it is not expected that any of the individual Placees will become a substantial Shareholder immediately after completion of the Placing, the Placing Shares will form part of the public float of the Company.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 5 May 2026 to Tuesday, 12 May 2026 (both dates inclusive) for determining the Shareholders' entitlements for attending and voting at the EGM.

The register of members of the Company will be closed from Monday, 18 May 2026 to Friday, 22 May 2026 (both dates inclusive) for determining the entitlements to the Rights Issue.

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

**LISTING RULES IMPLICATIONS**

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at the EGM, and any controlling Shareholder(s) (as defined under the Listing Rules) and their respective associates, or where there is no controlling Shareholder, 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 resolution(s) in relation to the Rights Issue at the EGM.

As at the Latest Practicable Date, the Company has no controlling Shareholder. Accordingly, Ms. Huang, being a substantial Shareholder, and her associate(s) shall abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM. 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 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 Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange and the EGM. As the Placing is conditional upon, among other things, the passing of necessary resolution(s) relating to the Rights Issue at the EGM, Ms. Huang, being a substantial Shareholder with beneficial interest in the Company as aforesaid, shall abstain from voting in favour of the resolution(s) relating to the Placing at the EGM.

Save as disclosed above, to the best knowledge of the Directors, as at the Latest Practicable Date, no other Shareholders have a material interest in the Rights Issue, the Placing and the transactions contemplated thereunder and are required to abstain from voting on any resolutions relating to the Rights Issue and the transactions contemplated thereunder and the Placing at the EGM.

**EGM**

The EGM will be convened and held at Room 1803, Zhongzhou Building, No. 3088 Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen, 12 May 2026 at 3:30 p.m. for the Shareholders to consider and, if thought fit, to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder. The proposed resolutions will be conducted by way of a poll at the EGM pursuant to Rule 13.39(4) of the Listing Rules and an announcement on the results of the EGM will be made by the Company after the EGM.

The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Tuesday, 12 May 2026. In order to be eligible to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 4 May 2026.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office, 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 less than 48 hours before the time fixed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. In such event, the form of proxy shall be deemed to be revoked.

A notice of EGM is set out on pages EGM-1 to EGM-3 of this circular.

**DESPATCH OF PROSPECTUS DOCUMENTS**

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue is expected to be made available and/or despatched to the Qualifying Shareholders on the Prospectus Posting Date (i.e. Tuesday, 26 May 2026). The Company will despatch the Prospectus (without the PAL) to the Excluded Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. For the avoidance of doubt, the Excluded Shareholders are entitled to attend and vote at the EGM. The Prospectus Documents will also be made available on the websites of the Company (www.01069.com.cn) and the Stock Exchange (www.hkexnews.hk).

## RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chau Wing Nam, Ms. Liu Shuhua and Mr. Li Liangjie, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders as to the voting at the EGM, taking into account the recommendations of the Independent Financial Adviser. Zijing Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 35 to 36 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder and the letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-29 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the members of the Independent Board Committee whose opinion is expressed in the letter from the Independent Board Committee after considering the advice of the Independent Financial Adviser) are of the opinion that the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and, accordingly, recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

## ADDITIONAL INFORMATION

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

## 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.**

**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. Any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent Placees on a best effort basis through the Placing. Accordingly, if the Rights Issue is not fully subscribed and there remain Placing Shares which are not placed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their provisional entitlements in full and Excluded 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).**

Yours faithfully,
For and on behalf of the Board of
**China Health Technology Group Holding Company Limited**
**Bu Xue**
*Chairman and Executive Director*



CHINA HEALTH

China Health Technology Group Holding Company Limited
中國健康科技集團控股有限公司
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock code: 1069)**

24 April 2026

*To the Independent Shareholders*

Dear Sir or Madam,

## (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 24 April 2026 (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 member of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, in the interests of the Company and the Independent Shareholders as a whole. Details of the Rights Issue and the Placing are set out in the "**LETTER FROM THE BOARD**" on pages 10 to 34 of the Circular.

Zijing Capital has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving thereat, are set out in its letter on pages IFA-1 to IFA-29 of the Circular.

Having taken into account the terms of the Rights Issue and the Placing Agreement, the information contained in the Circular and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee of
**China Health Technology Group Holding Company Limited**

| | | |
|---|---|---|
| **Mr. Chau Wing Nam** | **Ms. Liu Shuhua** | **Mr. Li Liangjie** |
| *Independent non-executive Director* | *Independent non-executive Director* | *Independent non-executive Director* |

*The following is the full text of the letter of advice from Zijing Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*

Unit 12-13, 21/F
Shui On Centre,
6-8 Harbour Road,
Wanchai, Hong Kong

24 April 2026

*To: The Independent Board Committee and the Independent Shareholders of China Health Technology Group Holding Company Limited*

Dear Sirs,

## (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE

### INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the terms of the Rights Issue and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular (the "**Circular**") of the Company to the Shareholders dated 24 April 2026, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

The Company proposes to raise gross proceeds of up to approximately HK$51.5 million (assuming full subscription under the Rights Issue) by issuing up to 205,848,440 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) by way of Rights Issue at the Subscription Price of HK$0.25 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renounces or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) will be placed to independent Placees on a best effort basis through the Placing. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. On 27 March 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally 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 Placing Shares (i.e. the Unsubscribed Rights Shares and the ES Unsold Rights Shares). Any Unsubscribed Rights 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.

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at the EGM, and any controlling Shareholder(s) (as defined under the Listing Rules) and their respective associates, or where there is no controlling Shareholder, 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 resolution(s) in relation to the Rights Issue at the EGM.

As at the Latest Practical Date, the Company has no controlling Shareholder. Accordingly, Ms. Huang, being a substantial Shareholder, and her associate(s) shall abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM. As at the Latest Practical Date, none of the Directors or chief executives of the Company had any interest in the 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 Placing Shares, forming part of the Rights Issue will be allotted and issued pursuant to the approval of the Rights Issue to be obtained from the Shareholders at the EGM. As the Placing is conditional upon, among other things, the passing of necessary resolution(s) relating to the Rights Issue at the EGM, Ms. Huang, being a substantial Shareholder with beneficial interest in the Company as aforesaid, shall abstain from voting in favour of the resolution(s) relating to the Placing at the EGM.

Save as disclosed above, to the best knowledge of the Directors, as at the Latest Practicable Date, no other Shareholders have a material interest in the Rights Issue, the Placing and the transactions contemplated thereunder and are required to abstain from voting on any resolutions relating to the Rights Issue and the transactions contemplated thereunder and the Placing at the EGM.

**INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee comprising Mr. Chau Wing Nam, Ms. Liu Shuhua and Mr. Li Liangjie (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote. We, Zijing Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practical Date, we do not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees in connection with this appointment as the independent financial adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. We have not acted as an independent financial adviser or financial adviser to the Company's other transactions in the last two years prior to the date of our appointment, and accordingly, we are independent from the Company pursuant to Rule 13.84 of the Listing Rules.

**BASIS OF OUR ADVICE**

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the dispatch of the Circular.

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 and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading.

In formulating our opinion, we have obtained and reviewed, among others, (i) the Group's annual report for the year ended 30 June 2024 (the "**2023/2024 Annual Report**"); (ii) the Group's interim report for the six months ended 31 December 2024 (the "**2024 Interim Report**"); (iii) the Group's annual report for the year ended 30 June 2025 (the "**2024/2025 Annual Report**"); (iv) the Group's interim report for the six months ended 31 December 2025 (the "**2025 Interim Report**"); (v) the Placing Agreement; and (vi) the market information obtained from the website of the Stock Exchange. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion, and we have discussed with the management of the Company so as to assess the fairness and reasonableness of the Right Issues and the transactions contemplated thereunder. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted any independent investigation into the business affairs, financial position or future prospects of the Group. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have considered the following principal factors and reasons:

### 1. Background information of the Group

The Group is principally engaged in the businesses of forestry management, ginseng plantation and trading, horny goat weed plantation and trading, health products trading and investment holding.

As stated in the Letter from the Board, the Group's forestry management business generates revenue primarily from the sale of timber logs harvested from the Group's forests located in Sichuan Province, the PRC. The Group commenced its ginseng plantation business in August 2022 and has been expanding its ginseng trading operations since then. In June 2024, the Group commenced the plantation of horny goat weed in its forest land. The Group commenced its health products manufacturing and trading business in November 2024 and has opened a retail store in Hong Kong selling ginseng gift boxes and other health products.

Set out below is a summary of the consolidated statement of profit or loss and other comprehensive income of the Group for the two years ended 30 June 2025, which are extracted from the 2024/2025 Annual Report, and for the six months ended 31 December 2024 and 31 December 2025 respectively as extracted from the 2025 Interim Report.

***Consolidated statement of profit or loss and other comprehensive income of the Group***

| | **For the six months ended 31 December 2025** | **For the six months ended 31 December 2024** | **For the year ended 30 June 2025** | **For the year ended 30 June 2024** |
|---|---|---|---|---|
| | (unaudited) | (unaudited) | (audited) | (audited) |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue | 34,393 | 31,112 | 90,215 | 47,606 |
| Gross profit | 4,137 | 2,777 | 8,213 | 1,897 |
| Profit for the period/year | 5,252 | 4,978 | 22,711 | 200,013 |

As stated in the 2024/2025 Annual Report, the Group's revenue is generated from (i) forestry business; (ii) ginseng business; and (iii) health products manufacturing and trading business. For the year ended 30 June 2025, the revenue of the Group was approximately RMB90.2 million, representing an increase of approximately RMB42.6 million or 89.5% as compared to the year ended 30 June 2024 of approximately RMB47.6 million. We note from the 2023/2024 Annual Report and the 2024/2025 Annual Report, the increase in revenue for the year ended 30 June 2025 as compared to the year ended 30 June 2024 was mainly attributable to (i) the increased revenue of approximately RMB4.1 million or 12.6% from the forestry business; (ii) the increased revenue of approximately RMB24.4 million or 161.6% from the ginseng business; and (iii) the increased revenue of approximately RMB14.1 million from the health products manufacturing and trading business of the Group which was a new business segment for the year ended 30 June 2025 as the Group commenced its business in manufacturing and trading of health products since November 2024.

For the year ended 30 June 2025, the Group recorded gross profit of approximately RMB8.2 million, representing an increase of approximately RMB6.3 million or 331.6% as compared to the year ended 30 June 2024 of approximately RMB1.9 million. The gross profit margin of the Group for the year ended 30 June 2025 was approximately 9.1% while the gross profit margin of the Group for the year ended 30 June 2024 was approximately 4.0%. The increase in gross profit was mainly attributed to the overall increase in revenues of all three business segments of the Group. Furthermore, the increase in the gross profit

margin was primarily driven by the contribution from the Group's new health products business, which was launched in November 2024 and operated with a higher gross profit margin.

The Group recorded a profit of approximately RMB22.7 million for the year ended 30 June 2025 as compared to approximately RMB200.0 million for the year ended 30 June 2024. The substantial decrease was mainly due to the one-off gain of approximately RMB202.0 million on debt restructuring recorded for the year ended 30 June 2024. By excluding the gain on debt restructuring of approximately RMB202.0 million, the Group recorded a loss of approximately RMB2.0 million for the year ended 30 June 2024.

As stated in the 2025 Interim Report, the revenue of the Group was approximately RMB34.4 million for the six months ended 31 December 2025, representing an increase of approximately RMB3.3 million or 10.6% as compared to the six months ended 31 December 2024 of approximately RMB31.1 million. We note from the 2024 Interim Report and the 2025 Interim Report, the increase in revenue for the six months ended 31 December 2025 as compared to the six months ended 31 December 2024 was mainly attributable to (i) the increased revenue of approximately RMB0.7 million or 4.0% from the ginseng business; (ii) the increased revenue of approximately RMB7.1 million or 208.8% from the health products manufacturing and trading business; and (iii) partly offset by the decreased revenue of approximately RMB4.5 million or 38.6% from the forestry management business of the Group due to the decrease in sales of logging quantity of approximately 3,297 cubic meters for the six months ended 31 December 2025 as compared to the previous period in 2024.

As a result of the foregoing, the Group recorded gross profit of approximately RMB4.1 million for the six months ended 31 December 2025, representing an increase of approximately RMB1.3 million or 46.4% as compared to the six months ended 31 December 2024 of approximately RMB2.8 million.

The Group recorded a profit of approximately RMB5.3 million for the six months ended 31 December 2025, representing an increase of approximately RMB0.3 million or 6.0% as compared to approximately RMB5.0 million for the six months ended 31 December 2024. The increase was mainly due to the increased total revenues by partially offsetting the decreased net gain on change in fair value less costs to sell of plantation forest assets for the six months ended 31 December 2025.

Meanwhile, the unaudited condensed consolidated assets and liabilities of the Group as at 31 December 2025 and the audited condensed consolidated assets and liabilities of the Group as at 30 June 2025 as extracted from the 2025 Interim Report, are summarised as follows:

| | **As at 31 December 2025** | **As at 30 June 2025** |
|---|---|---|
| | (unaudited) | (audited) |
| | *RMB'000* | *RMB'000* |
| Non-current Assets | 160,940 | 145,376 |
| Current Assets | 40,378 | 60,041 |
| – Bank balances and cash | 2,601 | 4,490 |
| Non-current Liabilities | 114,357 | 115,624 |
| Current Liabilities | 30,075 | 43,073 |
| **Net Assets** | **56,886** | **46,720** |

It is noted that the net asset value of the Group as at 31 December 2025 increased approximately 21.8% as compared to the net asset value of the Group as at 30 June 2025, however, the bank balances and cash of the Group decreased from approximately RMB4.5 million as at 30 June 2025 to approximately RMB2.6 million as at 31 December 2025, representing a decrease of approximately 42.2%.

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

As stated in the Letter from the Board, taking into consideration (i) the Group's established and growing forestry management, ginseng and health products businesses; (ii) the anticipated increase in logging quota for the Group's forests; (iii) the Group's plans to expand its ginseng plantation and reduce reliance on external suppliers; and (iv) the Group's intention to expand its health products business into the PRC market, the Group plans to continue developing and expanding its existing businesses and to diversify into a new business area, namely, the medical aesthetics industry, in order to enhance the overall financial performance of the Group and generate greater returns for the Shareholders.

Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK$1.5 million) is expected to be approximately HK$50.0 million. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

(a) approximately HK$22.0 million (being approximately 44.00% of the net proceeds) is intended to be used for the expansion of the scale of ginseng plantation by various means, including but not limited to acquisition of forests and other plantation sites and related marketing and promotion activities to support the Group's expansion in the ginseng business;

(b) approximately HK$18.0 million (being approximately 36.00% of the net proceeds) is intended to be used for investment in the medical aesthetics industry, including but not limited to the acquisition of equipment, establishment of operational facilities and related business development; and

(c) approximately HK$10.0 million (being approximately 20.00% of the net proceeds) is intended to be used for general working capital of the Group, including but not limited to salary expenses and other office and corporate expenses.

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

In assessment of the Group's reasons for and benefits to the Rights Issue and the intended use of proceeds, we have discussed with the management of the Company and are given to understand that the Group's overall strategic planning is to (i) further expand its ginseng plantation business by acquiring additional ginseng plantation land; (ii) invest in the medical aesthetics industry as a new business segment of the Group; and (iii) strengthen the general working capital of the Group to support its ongoing business operations. The management of the Group anticipates that the Group's business strategies will significantly increase its working capital requirement. Having considered the Group's current scale of operations, recurrent working capital requirement and current available cash resources, the management of the Company considers that the Group has genuine needs to raise funds for financing its expansion plans.

In respect of the ginseng plantation business of the Group, we have searched from the public domain and note that the global ginseng market size reached approximately US$7.43 billion in 2024 and is expected to reach approximately US$14.29 billion by 2031, growing with a compound annual growth rate (the "**CAGR**") of approximately 10% during the period from 2025 to 2031. In particular, the ginseng market size in the PRC had exceeded RMB29.9 billion in 2024 and is expected to grow at a CAGR of approximately 9.6% over the next five years*(Note 1)*. Based on the 2024 Interim Report and the 2025 Interim Report, we note that the revenue derived from the sale of ginseng purchased from suppliers under the ginseng business segment of the Group was decreased from approximately RMB10.77 million for the six months ended 31 December

2024 to approximately RMB8.85 million for the six months ended 31 December 2025, representing a decrease of approximately 17.83%, however, the revenue derived from the Group's self-grown ginseng under the ginseng business segment of the Group was increased from approximately RMB5.38 million for the six months ended 31 December 2024 to approximately RMB7.95 million for the six months ended 31 December 2025, representing an increase of approximately 47.77%. We also understand from the management of the Group that expansion of its ginseng plantation business by acquiring additional ginseng plantation land can further reduce the reliance on its supplier for the plantation of ginseng, which is in line with the Group's prospects in respect of its ginseng business as stated in the 2025 Interim Report.

In respect of the medical aesthetics industry, we have also searched from the public domain and note that the PRC medical aesthetics market size increased from approximately RMB227.4 billion in 2021 to RMB364.0 billion in 2025*(Note 2)*, representing a CAGR of approximately 9.87%, and it is expected that the PRC medical aesthetics market size will further increase to approximately RMB429.2 billion in 2026*(Note 3)*, representing an increase of approximately 17.91%. As advised by the management of the Company, the Group plans to invest in the medical aesthetics industry in the PRC as a new business segment mainly because of (i) the demand from the customers of the Group's existing ginseng and health products businesses and thus the medical aesthetics business segment can share the customer base with the existing business segments of the Group; (ii) the medical aesthetics business will have a synergy effect with the existing businesses of the Group as the Group can use its own ginseng or horny goat weed as raw materials for making the medical aesthetic products or its own health products which can be used in the medical aesthetics business; and (iii) the medical aesthetics business segment is expected to have a higher profit margin than the existing businesses of the Group. Therefore, the new business segment of medical aesthetics business will be a good opportunity to increase profitability and enhance the financial performance of the Group. In addition, we have obtained the budget plan in relation to a project of the medical aesthetics industry prepared by the Company and note that the total investment amount on such project by the Company is approximately RMB18.40 million which will be fully utilized on July 2026.

*Note 1:*
*Source – 2025年人參行業發展現狀分析：人參全球市場規模約為74.26億美元, 2025-07-07, www.chinabgao.com (https://cht.chinabgao.com/freereport/104111.html)*

*Note 2:*
*Source – 2025年醫美行業統計資料：結構性調整下的市場分化與增長新機遇, 2025-11-19, www.chinabgao.com (https://m.chinabgao.com/freereport/110310.html)*

*Note 3:*
*Source – 2026年醫美行業政策分析：醫美行業將逐步進入規範化, 2026-04-09, www.chinabgao.com (https://m.chinabgao.com/freereport/115241.html)*

As stated in the Letter from the Board, in connection with the expansion into the medical aesthetics industry, the Group intends to establish a new branch in the PRC to operate the medical aesthetics business. The Board is of the view that the Group has the necessary foundation to pursue this new business direction. Although the Directors do not have direct experience in the medical aesthetics industry, they have extensive experience in managing and operating businesses across different industries, which the Board considers sufficient to oversee the proposed business at its initial stage. The Directors will also consider appointing a new Director with relevant expertise in the medical aesthetics industry should the business further expand in the future. In addition, the Directors confirm that they have no intention to dispose of or downsize any of the Group's existing businesses, including its forestry management and ginseng businesses, both of which will continue to be operated as core business segments of the Group.

Moreover, as discussed in the above section headed "1. Background information of the Group", it is noted that the bank balances and cash of the Group decreased from approximately RMB4.5 million as at 30 June 2025 to approximately RMB2.6 million as at 31 December 2025, representing a decrease of approximately 42.2%. Taking into consideration the funding needs of the Group as stated in the Letter from the Board, including the expansion plans and the interests incurred from the promissory notes, and we are advised by the management of the Company that the bank balances and cash of the Group was further decreased to approximately RMB1.3 million as at 31 March 2026, we concur with the Directors' view that the Group has genuine needs to raise funds to support and maintain the business operations of the Group.

As stated in the Letter from the Board, 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 Group has considered obtaining banking facilities from licensed banks in Hong Kong for funding its business expansion. Based on preliminary discussions with licensed banks, such banking facilities would be required to be secured by the Group's assets. Taking into consideration the existing carrying amount of the property, plant and equipment of the Group, the Directors consider that the Group may not have sufficient assets for fulfilling the security requirements for obtaining banking facilities. The Directors also note 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. As stated in the Letter from the Board, the Group had outstanding promissory notes in the principal amount of HK$120.0 million (equivalent to approximately RMB110.03 million) which were issued on 28 July 2023 and the remaining balance of the promissory notes was approximately RMB115.6 million as at 30 June 2025. As advised by the management of the Company, the next payment of

the interest of HK$3.6 million incurred from the promissory notes by the Group will be on 28 July 2026, being the stepped interest rate of 3% per annum for the third year of the outstanding promissory notes.

As for equity fund raising, such as placing of new Shares, it is 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. We note that the Company had conducted equity find raising activities by placing of 17,000,000 new Shares with net proceeds of approximately HK$4.63 million in the past twelve months immediately prior to the Announcement which had been fully utilized as intended, hence we concur with the Directors' view that, in the event that placing of new Shares will be conducted again, the shareholding interest of the existing Shareholders will be further diluted.

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. The Placing arrangement, which involves the placement of the Placing Shares at the Subscription Price, serves to maximise the funds to be raised.

Having considered the abovementioned alternatives, we concur the Directors' view that 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.

In view of the above, in particular, (i) the ginseng market size in the PRC is expected to grow at a CAGR of approximately 9.6% over the next five years, and the expansion of its ginseng plantation business by acquiring additional ginseng plantation land can further reduce the reliance on its supplier for the plantation of ginseng, which is in line with the Group's prospects in respect of its ginseng business; (ii) the PRC medical aesthetics market size is expected to have a growth of approximately 17.91% to reach approximately RMB429.2 billion in 2026, and the new business segment of medical aesthetics business will be a good opportunity to increase profitability and enhance the financial performance of the Group; (iii) the bank balances and cash of the Group decreased from approximately RMB4.5 million as at 30 June 2025 to approximately RMB2.6 million as at 31 December 2025 and further decreased to RMB1.3 million as at 31 March 2026; and (iv) 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, we are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole and the intended use of proceeds is fair and reasonable.

**3. Principal terms of the Rights Issue**

Set out below is a summary of the principal terms of the Rights Issue, further details of which are set out in the Letter from the Board:

| | |
|---|---|
| Basis of the Rights Issue: | two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date |
| Maximum number of Rights Shares to be issued: | 205,848,440 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) |
| Subscription Price: | HK$0.25 per Rights Share |
| Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses): | Approximately HK$0.24 per Rights Share |
| Maximum gross proceeds to be raised from the Rights Issue before expenses: | Approximately HK$51.5 million |
| Maximum net proceeds to be raised from the Rights Issue after expenses: | Approximately HK$50.0 million |
| Number of Shares in issue (excluding treasury shares, if any) as at the Latest Practicable Date: | 102,924,220 Shares |
| Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed): | 308,772,660 Shares (assuming no change in the number of Shares in issue on or before the Record Date) |
| Aggregate nominal value of the Rights Shares: | HK$20,584,844 (assuming no change in the number of Shares in issue on or before the Record Date) |

Assuming there is no change to the total issued share capital of the Company on or before the Record Date, 205,848,440 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) approximately 200.00% of the total issued share capital of the Company (excluding treasury shares, if any) as at the date Latest Practicable Date; and (ii) approximately

66.67% of the total issued share capital of the Company (excluding treasury shares, if any) as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

As at the Latest Practicable Date, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date. As at the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

### *3.1 The Subscription Price*

The Subscription Price is HK$0.25 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of the Nil-paid Rights applies for the Rights Share(s).

The Subscription Price represents:

(i) a discount of approximately 20.63% to the closing price of HK$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 19.35% to the average closing price of approximately HK$0.310 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 24.24% to the average closing price of Approximately HK$0.33 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 7.98% to the theoretical ex-rights price of approximately HK$0.272 per Share based on the closing price of HK$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 13.76% of the theoretical diluted price of approximately HK$0.272 per Share to the benchmarked price of approximately HK$0.315 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price of HK$0.315 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK$0.309 per Share; and

(vi) a discount of approximately 54.79% to the net asset value of the Company of approximately HK$0.553 per Share based on the latest published unaudited net asset value attributable to owners of the Company of approximately HK$56.89 million as at 31 December 2025 as set out in the interim results of the Company for the six months ended 31 December 2025 and the total number of issued Shares of 102,924,220 Shares as at the date of the Circular.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK$0.24 (assuming no change in the number of Shares in issue on or before the Record Date).

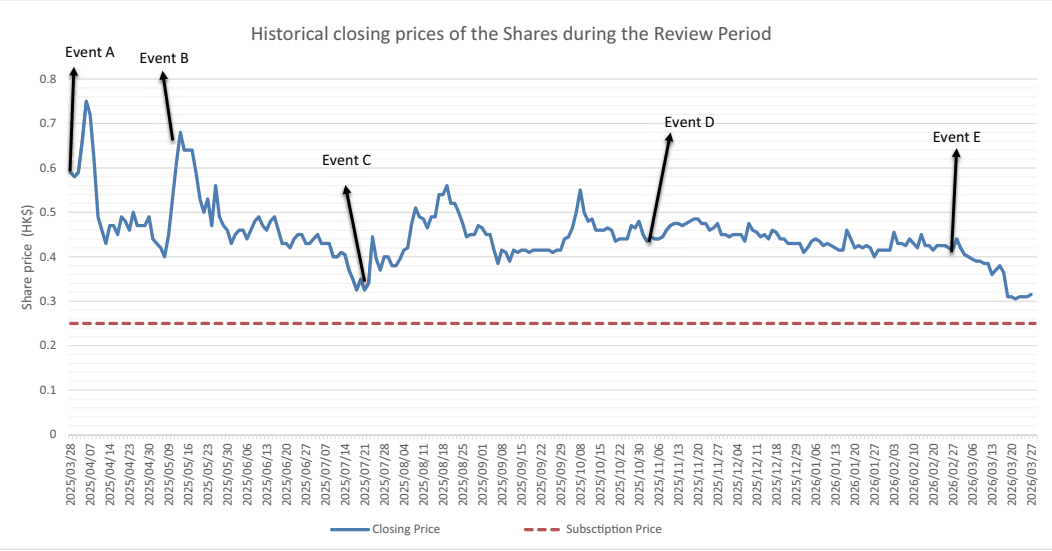
During the 12-month period immediately preceding the date of the Latest Practicable Date, the Company has not undertaken any rights issue, open offer or specific mandate placing. The theoretical diluted price, the benchmarked price and theoretical dilution effect (as those terms are defined under Rule 7.27B of the Listing Rules) for the Rights Issue are approximately HK$0.272 per Share, HK$0.315 per Share and 13.76%, respectively. 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 by the Board with reference to, among others, (i) the market price of the Shares under the prevailing market conditions in Hong Kong; (ii) the latest financial position of the Group; (iii) the reasons for and benefits of the Rights Issue as discussed in the Letter from the Board.

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices and trading volume of the Shares as quoted on the Stock Exchange from 28 March 2025 up to and including the Last Trading Day (the "**Review Period**"), being a period of approximately 12 months up to and including the Last Trading Day. We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Announcement and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represent a fair market value of the Company the Shareholders expected, while the value of the share price after the Announcement may have taken into account the potential upside of the Rights Issue which may distort the analysis.

*Historical closing prices of the Shares*

The chart below illustrates the daily closing prices of the Shares versus the Subscription Price of HK$0.25 per Rights Share during the Review Period:




*Source: website of the Stock Exchange*

*Notes:*

*Event A – Publication of 2024 Interim Report on 28 March 2025*

*Event B – Voluntary announcement in relation to strategic cooperation memorandum published on 13 May 2025*

*Event C – Announcement in relation to the placing of new shares under general mandate published on 22 July 2025*

*Event D – Publication of 2024/2025 Annual Report on 31 October 2025*

*Event E – Announcement in relation to the interim results for the six months ended 31 December 2025 on 27 February 2026*

As shown in the chart above, during the Review Period, the average closing price of the Shares was approximately HK$0.45 per Share (the "**Average Closing Price**"). The daily closing price of the Shares ranged from HK$0.305 per Share recorded on 23 March 2026 (the "**Lowest Closing Price**") to HK$0.75 per Share recorded on 3 April 2025 (the "**Highest Closing Price**"). We note that Shares were traded above the Subscription Price in the whole Review Period. The Subscription Price of HK$0.25 represents (i) a discount of approximately 18.03% to the Lowest Closing Price; (ii) a discount of approximately 66.67% to the Highest Closing Price; and (iii) a discount of approximately 44.44% to the Average Closing Price. As discussed in the paragraph headed "Comparison with recent rights issue transactions" below, we note that it is a common practice (52 out of 58 Comparables) to set the subscription price at a discount to the prevailing trading prices of the relevant shares on the last trading day prior to their respective announcements of rights issue in order to increase the attractiveness and encourage shareholders to participate in the rights issue.

In addition, we note that the closing price of the Shares shows a general downward trend over the Review Period. Although there was a short uptrend at the start of the Review Period and reached the highest (i.e. HK$0.75) on 3 April 2025, the closing price gradually declined from the highest to HK$0.40 on 8 May 2025 and then a short rebound was observed and reached HK$0.68 on 14 May 2025. The closing price started to decline gradually and reached HK$0.325 on 17 July 2025 and 22 July 2025 respectively. Two rebounds were observed and reached HK$0.56 on 19 August 2025 and HK$0.55 on 8 October 2025. After that, the closing price was relatively fluctuated between HK$0.50 and HK$0.40 in the period from 9 October 2025 to 5 March 2026, and then continued to drop to the lowest (i.e. HK$0.305) on 23 March 2026 and remained relatively stable in the low level till the Last Trading Day.

After reviewing the Company's announcements and reports disclosed in the website of the Stock Exchange during the Review Period, save for the possible market reactions on the announcements or reports as set out in the above chart made by the Company, we do not notice any specific reasons for the abovementioned movements of the closing price of the Shares during the Review Period. As discussed with the management of the Company, they were not aware of any particular reasons that contributed to the fluctuations in the closing price of the Shares during the Review Period aside from the abovementioned events indicated in the chart.

*Historical trading volume of the Shares*

The table below sets out the average daily trading volume of the Shares per month/period and the respective percentages of the average daily trading volume as compared to the total number of issued Shares during the Review Period:

| Month/Period | | Total trading volume of the Shares in the month/period | Number of trading days in the month/period | Average daily volume of the Shares in the month/period *(Note 1)* *(approximately)* | Percentage of average daily trading volume to total number of issued Shares *(Note 2)* *(approximately)* |
|---|---|---|---|---|---|
| **2025** | March *(Note 3)* | 1,723,200 | 2 | 861,600 | 0.1003% |
| | April | 20,688,060 | 19 | 1,088,845 | 0.1267% |
| | May | 28,223,300 | 20 | 1,411,165 | 0.1642% |
| | June | 5,222,840 | 21 | 248,707 | 0.0289% |
| | July *(Note 4)* | 9,789,380 | 22 | 444,972 | 0.5179% |
| | August *(Note 5)* | 35,947,842 | 21 | 1,711,802 | 1.6632% |
| | September | 18,048,002 | 22 | 820,364 | 0.7971% |
| | October | 18,147,708 | 20 | 907,385 | 0.8816% |
| | November | 11,301,887 | 20 | 565,094 | 0.5490% |
| | December | 3,445,705 | 21 | 164,081 | 0.1594% |
| **2026** | January | 5,278,640 | 21 | 251,364 | 0.2442% |
| | February | 3,840,520 | 17 | 225,913 | 0.2195% |
| | March *(Note 6)* | 7,564,482 | 20 | 378,224 | 0.3675% |

*Source: website of the Stock Exchange*

*Notes:*

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

2. *Based on the total number of issued Shares at the end of each month/period.*

3. *Represents trading volume of the Shares for the period from 28 March 2025, being the first trading day of the Review Period, to 31 March 2025, both days inclusive.*

4. *Due to the share consolidation of Company announced on 27 May 2025 became effective on 8 July 2025, the total number of issued Shares adjusted from 859,242,204 Shares to 85,924,220 Shares at the end of July 2025.*

*5. Due to the completion of the placing of new shares of the Company on 1 August 2025, the total number of issued Shares increased from 85,924,220 Shares to 102,924,220 Shares at the end of August 2025.*

*6. Represents trading volume of the Shares for the period from 2 March 2026 to 27 March 2026, being the Last Trading Day, both days inclusive.*

As illustrated in the above table, taking into consideration of the shares consolidation and the placing of new shares of the Company which led to different total number of issued Shares throughout the Review Period, we note that the average trading volume of the Shares ranged from the lowest of approximately 248,707 Shares on June 2025 to the highest of approximately 1,711,802 Shares on August 2025 during the Review Period, representing approximately 0.0289% to 1.6632% of a total Shares in issued as at the respective month with an average on the percentage of average daily trading volume throughout the Review Period of approximately 0.4477% of the total number of issued Shares as at the respective month or period. We also note that the relatively high average daily trading volume of the Shares on August 2025 was due to the result of the placing of 17,000,000 new Shares under general mandate of the Company which was completed on 1 August 2025. As such, excluding the percentage of average daily trading volume to total number of issued Shares on August 2025 due to the result of the placing of new Shares, we consider that the trading liquidity of the Shares during the Review Period were relatively thin as the average daily trading volume of the Shares was below 1% of the total number of issued Shares during the Review Period, we thus concur with the Directors' view that it would be difficult for the Company to raise equity funds from third parties without a discount on the prevailing Share prices, and hence conducting a fund raising exercise by way of Rights Issue with Subscription Price with reference to the market price of Shares under the prevailing market conditions in Hong Kong is appropriate and reasonable.

*Comparison with recent rights issue transactions*

In order to assess the fairness and reasonableness of the Subscription Price, we have also exhaustively conducted search and review of recent proposed rights issue of other companies listed on the Stock Exchange which announced in the nine months preceding the Last Trading Day, i.e. from 28 June 2025 and up to the Last Trading Day, to understand the trend of the recent market practice. We have identified 58 comparable companies (the "**Comparables**") and consider that the selection of such nine months period to be appropriate and representative for our analysis because the Comparables are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions, and reasonable and sufficient number of comparables were identified during such nine months period. Nevertheless, Shareholders should note that the businesses, operations and prospects of the Company are not exactly the same as the Comparables and we have not conducted any in-depth investigation into the businesses, operations and prospects of the Comparables. Although the Comparables may differ from the Company in terms of (i) their principal activities, market capitalisation, profitability and financial position; (ii) the subscription prices and the amounts of proceeds raised; and (iii) the background of the respective rights issue, we consider that the Comparables are fair and reasonable as they can provide a general reference to the Independent Shareholders on the most recent conditions of the relevant shares of rights issue transactions in the equity capital market in Hong Kong.

The details of our findings are summarised in the table below (the "**Comparable Table**"):

| Date of announcement | Company name | Stock code | Basic of entitlement | Maximum dilution on the shareholding | Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue | Premium/(discount) of the subscription price to the average closing price per share for the last five (5) consecutive trading days immediately up to and including the last trading day prior to announcement of rights issue | Premium/(discount) of the subscription price to the average closing price per share for the last ten (10) consecutive trading days immediately up to and including the last trading day prior to announcement of rights issue | Premium/ (discount) of the ex-rights price | Premium/ (discount) of the subscription price per rights issue share to the net asset value per share | Theoretical dilution effect | Excess Application (Yes/No) | Placing Commission | Underwriting arrangement | Underwriting fee |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | (%) | (%) | (%) | (%) (Note 2) | (%) (Note 2) | (%) (Note 2) | (%) (Note 4) | | (%) (Note 5) | | (%) (Note 5) |
| 7 July 2025 | Sanergy Group Limited | 2459 | 1 for 2 | 33.33 | (55.60) | (56.30) | (56.70) | (45.50) | (89.00) | 18.80 | No | 3.50 | Non-underwritten | N/A |
| 8 July 2025 | Alco Holdings Limited | 328 | 4 for 1 | 80.00 | (19.00) | (19.00) | (12.79) | N/A | N/A | 15.52 | No | 1.50 | Non-underwritten | N/A |
| 10 July 2025 | XJ International Holdings Co., Ltd. | 1765 | 1 for 8 | 11.11 | 5.82 | 6.95 | 9.89 | 5.26 | (83.61) | N/A | No | 0.50 | Fully underwritten | 0.00 |
| 23 July 2025 | Future Machine Limited | 1401 | 1 for 2 | 33.33 | (72.28) | (72.28) | (72.28) | (63.48) | (28.61) | 24.09 | No | 1.00 | Non-underwritten | N/A |
| 25 July 2025 | Shin Hwa World Limited | 582 | 1 for 1 | 50.00 | (34.21) | (33.07) | (33.99) | (17.11) | (97.30) | 17.11 | Yes | N/A | Non-fully underwritten | 1.00 |
| 30 July 2025 | Da Yu Financial Holdings Limited | 1073 | 1 for 2 | 33.33 | (16.67) | (18.92) | (18.37) | (11.76) | (45.45) | 6.67 | Yes | N/A | Non-underwritten | N/A |
| 4 August 2025 | TOMO Holdings Limited | 6928 | 1 for 2 | 33.33 | (62.10) | (63.20) | (65.40) | (52.20) | 25.00 | 21.30 | No | 1.00 | Non-underwritten | N/A |
| 6 August 2025 | Value Convergence Holdings Limited | 821 | 2 for 1 | 66.67 | (4.26) | (5.86) | (1.21) | (1.53) | (71.06) | 3.11 | Yes | 2.50 | Non-underwritten | N/A |
| 13 August 2025 | Capital VC Limited | 2324 | 1 for 1 | 50.00 | (27.30) | (24.80) | (25.00) | N/A | (82.00) | 13.60 | No | 3.00 | Non-underwritten | N/A |
| 13 August 2025 | China Information Technology Development Limited | 8178 | 3 for 8 | 27.27 | (55.05) | (55.24) | (55.43) | (47.11) | (63.00) | 15.12 | Yes | N/A | Fully underwritten | 7.07 |
| 14 August 2025 | China Energy Development Holdings Limited | 228 | 1 for 2 | 33.33 | (19.90) | (19.90) | (21.50) | N/A | (73.34) | 6.63 | Yes | N/A | Non-underwritten | N/A |
| 26 August 2025 | Jisheng Group Holdings Limited | 8133 | 3 for 1 | 75.00 | (14.29) | (14.29) | (16.67) | (4.15) | (45.45) | 10.57 | No | 1.50 | Non-underwritten | N/A |
| 4 September 2025 | Many Idea Cloud Holdings Limited | 6696 | 6 for 1 | 85.71 | (22.08) | (24.56) | (26.88) | (4.94) | (91.29) | 20.63 | No | 0.20 | Non-underwritten | N/A |
| 4 September 2025 | AESO Holding Limited | 8341 | 2 for 1 | 66.67 | (25.70) | (23.10) | (26.00) | (10.35) | (83.00) | 17.12 | No | 2.50 | Non-underwritten | N/A |
| 10 September 2025 | China Automotive Interior Decoration Holdings Limited | 48 | 3 for 2 | 60.00 | (29.73) | (29.27) | (28.81) | (14.47) | (88.13) | 17.84 | No | 1.50 | Fully underwritten | 4.50 |
| 15 September 2025 | Zhong Jia Guo Xin Holdings Company Limited | 899 | 2 for 1 | 66.67 | (33.64) | (35.23) | (42.59) | (14.15) | (97.87) | 24.78 | No | 5.00 | Non-underwritten | N/A |
| 19 September 2025 | Immunotech Biopharm Ltd | 6978 | 1 for 5 | 16.66 | (47.70) | (47.79) | (50.23) | (43.18) | N/A (Note 3) | 8.05 | Yes | N/A | Non-underwritten | 1.45 |
| 22 September 2025 | Gameone Holdings Limited | 8282 | 1 for 2 | 33.33 | 1.69 | (0.99) | (2.91) | 1.12 | (3.23) | 0.55 | Yes | N/A | Non-fully underwritten | 0.50 |
| 26 September 2025 | Perfectech International Holdings Limited | 765 | 1 for 2 | 33.33 | (18.06) | (20.70) | (19.84) | (12.72) | 152.14 (Note 6) | 6.99 | Yes | N/A | Non-underwritten | N/A |
| 2 October 2025 | China New Economy Fund Limited | 80 | 1 for 2 | 33.33 | (29.29) | (27.23) | (28.13) | (21.70) | 660.87 (Note 6) | 9.70 | Yes | N/A | Non-underwritten | N/A |
| 3 October 2025 | Macau Legend Development Limited | 1680 | 1 for 2 | 33.33 | (45.45) | (44.44) | (46.43) | (36.17) | (88.46) | 15.79 | Yes | N/A | Fully underwritten | 3.00 |
| 5 October 2025 | Fire Rock Holdings Limited | 1909 | 1 for 2 | 33.33 | (20.20) | (27.58) | (24.40) | (14.59) | 166.12 (Note 6) | 9.13 | No | HK$100,000 (Note 7) | Non-fully underwritten | N/A |
| 9 October 2025 | CCIAM Future Energy Limited | 145 | 1 for 2 | 33.33 | (18.62) | (19.05) | (19.90) | (13.07) | (6.13) | 6.63 | No | 0.54 | Non-underwritten | N/A |
| 15 October 2025 | Winshine Science Company Limited | 209 | 7 for 1 | 87.50 | (23.50) | (24.30) | (27.10) | (4.10) | N/A | 21.10 | Yes | N/A | Fully underwritten | 2.50 |
| 15 October 2025 | Synertone Communication Corporation | 1613 | 2 for 1 | 66.67 | (35.71) | (35.71) | (36.68) | (15.63) | (43.75) | 23.81 | No | 1.00 | Non-underwritten | N/A |
| 17 October 2025 | World Super Holdings Limited | 8612 | 3 for 1 | 75.00 | 23.46 | 19.05 | N/A | 5.26 | 669.23 (Note 6) | N/A | No | 2.50 | Non-underwritten | N/A |
| 22 October 2025 | Crocodile Garments Limited | 122 | 1 for 2 | 33.33 | (22.68) | (22.44) | (22.92) | (16.34) | (92.50) | 7.56 | Yes | N/A | Non-underwritten | N/A |

| Date of announcement | Company name | Stock code | Basic of entitlement | Maximum dilution on the shareholding (%) | Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue (%) | Premium/(discount) of the subscription price to the average closing price per share for the last five (5) consecutive trading days immediately up to and including the last trading day prior to announcement of rights issue (%) | Premium/(discount) of the subscription price to the average closing price per share for the last ten (10) consecutive trading days immediately up to and including the last trading day prior to announcement of rights issue (%) (Note 2) | Premium/ (discount) of the ex-rights price (%) (Note 2) | Premium/ (discount) of the subscription price per rights issue share to the net asset value per share (%) (Note 2) | Theoretical dilution effect (%) (Note 4) | Excess Application (Yes/No) | Placing Commission (%) (Note 5) | Underwriting arrangement | Underwriting fee (%) (Note 5) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 24 October 2025 | Jiading International Group Holdings Limited | 8153 | 1 for 2 | 33.33 | (38.78) | (37.11) | N/A | (29.69) | N/A | 12.93 | No | 2.00 | Non-underwritten | N/A |
| 24 October 2025 | Sandmartin International Holdings Limited | 482 | 1 for 1 | 50.00 | 2.70 | (9.00) | (11.50) | N/A | N/A | 5.99 | Yes | N/A | Non-underwritten | N/A |
| 24 October 2025 | IRC Limited | 1029 | 1 for 2 | 33.33 | (16.39) | (17.21) | (17.21) | (12.17) | (61.10) | 9.76 | No | 1.25 | Non-fully underwritten | 0.00 |
| 2 November 2025 | KNT Holdings Limited | 1025 | 1 for 1 | 50.00 | (9.09) | (10.71) | (13.79) | (4.76) | 48.15 | 9.39 | No | 3.00 | Non-underwritten | N/A |
| 4 November 2025 | Zhongshi Minan Holdings Limited | 8283 | 5 for 1 | 16.66 | (23.91) | (25.69) | (25.69) | (4.89) | (64.68) | 21.67 | No | 2.50 | Non-underwritten | N/A |
| 6 November 2025 | Winto Group (Holdings) Limited | 8238 | 3 for 1 | 75.00 | (6.98) | (6.98) | (6.10) | (1.96) | N/A | 5.12 | No | 3.00 | Non-underwritten | N/A |
| 12 November 2025 | Domaine Power Holdings Limited | 442 | 1 for 2 | 33.33 | (17.44) | (15.88) | (17.15) | (12.35) | 65.12 | 5.81 | Yes | N/A | Non-underwritten | N/A |
| 19 November 2025 | Silkwave Inc | 471 | 3 for 1 | 75.00 | (31.06) | (32.29) | (31.58) | (10.13) | (62.81) | 24.51 | Yes | N/A | Non-underwritten | N/A |
| 21 November 2025 | Crown International Corporation Limited | 727 | 3 for 1 | 75.00 | (19.75) | (26.14) | (27.00) | (5.80) | (44.85) | 19.53 | Yes | N/A | Non-underwritten | N/A |
| 11 December 2025 | Hang Yick Holdings Company Limited | 1894 | 4 for 1 | 80.00 | (28.13) | (27.67) | (26.75) | (7.26) | (85.35) | 22.50 | No | 1.00 | Non-underwritten | N/A |
| 12 December 2025 | Shun Wo Group Holdings Limited | 1591 | 1 for 3 | 25.00 | (6.70) | (3.40) | (3.40) | N/A | (60.00) | 1.67 | Yes | N/A | Non-underwritten | N/A |
| 19 December 2025 | China Castson 81 Finance Company Limited | 810 | 5 for 2 | 71.43 | (26.62) | (30.80) | (31.08) | (9.41) | (45.66) | 22.73 | No | 2.50 | Non-fully underwritten | 0.00 |
| 23 December 2025 | Mindtell Technology Limited | 8611 | 1 for 2 | 33.33 | (32.40) | (29.70) | (23.40) | (24.20) | 8,100.00 (Note 6) | 10.80 | No | 2.00 | Non-fully underwritten | N/A |
| 30 December 2025 | Wanjia Group Holdings Limited | 401 | 1 for 1 | 50.00 | (31.62) | (27.27) | (25.93) | (18.78) | (33.33) | 15.81 | No | 2.00 | Non-underwritten | N/A |
| 2 January 2026 | HKC International Holdings Limited | 248 | 1 for 2 | 33.33 | (25.50) | (25.50) | N/A | (18.60) | (79.10) | 8.50 | Yes | N/A | Non-underwritten | N/A |
| 13 January 2026 | EPI (Holdings) Limited | 689 | 2 for 1 | 66.67 | (17.10) | (21.57) | (22.71) | (8.57) | (76.88) | 14.38 | Yes | N/A | Non-fully underwritten | 1.80 |
| 14 January 2026 | Anchorstone Holdings Limited | 1592 | 4 for 1 | 80.00 | (42.86) | (39.81) | N/A | (8.57) | N/A (Note 3) | 24.00 | No | 1.25 | Non-underwritten | N/A |
| 14 January 2026 | Jutal Offshore Oil Services Limited | 3303 | 1 for 6 | 14.29 | (69.23) | (69.35) | (69.35) | (66.10) | (85.13) | 9.92 | No | 1.00 | Non-underwritten | N/A |
| 15 January 2026 | Shanghai International Shanghai Growth Investment Limited | 770 | 3 for 8 | 27.27 | (60.00) | (60.00) | (60.00) | (52.19) | 47.44 | 16.33 | No | 1.00 | Non-underwritten | N/A |
| 26 January 2026 | Kwan On Holdings Limited | 1559 | 1 for 2 | 33.33 | (17.65) | (15.05) | (16.27) | (12.50) | 79.09 | 5.88 | Yes | N/A | Non-underwritten | N/A |
| 27 January 2026 | Pacific Legend Group Limited | 8547 | 1 for 2 | 33.33 | 26.58 | 31.23 | 30.55 | 16.28 | 4.09 | 4.60 | No | 2.00 | Non-underwritten | N/A |
| 29 January 2026 | Add New Energy Investment Holdings Group Limited | 2623 | 1 for 2 | 33.33 | (37.66) | (34.81) | (35.83) | N/A | 65.57 | 12.55 | Yes | N/A | Non-underwritten | N/A |
| 4 February 2026 | Ta Yang Group Holdings Limited | 1991 | 2 for 1 | 66.67 | (2.44) | (4.53) | (7.83) | (0.83) | 297.69 (Note 6) | 4.80 | Yes | N/A | Non-underwritten | N/A |
| 6 February 2026 | WLS Holdings Limited | 8021 | 1 for 1 | 50.00 | (40.00) | (41.20) | (41.20) | (25.00) | (77.10) | 21.60 | No | 2.50 | Non-underwritten | N/A |
| 11 February 2026 | Niu Holdings Limited | 8619 | 2 for 1 | 66.67 | (33.50) | (35.90) | (35.70) | (21.10) | (92.70) | 24.00 | No | 1.00 | Non-fully underwritten | N/A |
| 16 February 2026 | Mindtell Technology Limited | 8611 | 1 for 1 | 50.00 | (40.60) | (43.60) | (41.90) | (25.50) | 3,900.00 (Note 6) | 21.70 | No | 2.00 | Non-underwritten | N/A |
| 16 February 2026 | Xinming China Holdings Limited | 2699 | 6 for 1 | 85.71 | (20.00) | (20.00) | (19.70) | N/A | N/A (Note 3) | 17.14 | No | 2.00 | Non-underwritten | N/A |
| 5 March 2026 | Madison Holdings Group Limited | 8057 | 3 for 2 | 60.00 | (40.00) | (39.10) | (37.05) | (21.10) | (79.83) | 24.00 | No | 2.00 | Non-underwritten | N/A |

| Date of announcement | Company name | Stock code | Basic of entitlement | Maximum dilution on the shareholding | Premium/ (discount) of subscription price per rights issue share over to closing price per share on the last trading day prior to announcement of rights issue | Premium/(discount) of the subscription price to the average closing price per share for the last five (5) consecutive trading days immediately up to and including the last trading day prior to announcement of rights issue | Premium/(discount) of the subscription price to the average closing price per share for the last ten (10) consecutive trading days immediately up to and including the last trading day prior to announcement of rights issue | Premium/ (discount) of the ex-rights price | Premium/ (discount) of the subscription price per rights issue share to the net asset value per share | Theoretical dilution effect | Excess Application (Yes/No) | Placing Commission | Underwriting arrangement | Underwriting fee |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | *(%)* | *(%)* | *(%)* | *(%)* *(Note 2)* | *(%)* *(Note 2)* | *(%)* *(Note 2)* | *(%)* *(Note 4)* | | *(%)* *(Note 5)* | | *(%)* *(Note 5)* |
| 6 March 2026 | Kingland Group Holdings Limited | 1751 | 1 for 3 | 25.00 | 0.00 | (2.30) | (6.60) | (3.10) | 1,875.00 *(Note 6)* | 1.00 | No | 3.00 | Non-underwritten | N/A |
| 9 March 2026 | Hand Pin Living Technology Company Limited | 1682 | 1 for 1 | 50.00 | (27.97) | (27.72) | (28.27) | (16.26) | (22.73) | 13.98 | No | 1.00 | Non-underwritten | N/A |
| 26 March 2026 | Zhongshen Jianye Holding Limited | 2503 | 2 for 1 | 66.67 | (33.63) | (35.18) | (38.65) | (14.45) | (72.22) | 23.45 | No | 0.50 | Non-underwritten | N/A |
| | **Maximum** | | | 87.50 | 26.58 | 31.23 | 30.55 | 24.51 | 79.09 | 24.78 | | 5.00 | | |
| | **Minimum** | | | 11.11 | (72.28) | (72.28) | (72.28) | (66.10) | (97.87) | 0.53 | | 0.20 | | |
| | **Average** | | | 46.90 | (25.69) | (26.22) | (27.73) | (12.53) | (46.59) | 13.65 | | 1.93 | | |
| | **Median** | | | 33.33 | (25.60) | (25.92) | (26.75) | (12.61) | (63.84) | 13.79 | | 2.00 | | |
| | **The Company** | | **2 for 1** | **66.67** | **(20.63)** | **(19.35)** | **(24.24)** | **(7.98)** | **(54.79)** | **13.76** | **No** | **4.00** | **Non-underwritten** | |

*Source: website of the Stock Exchange*

*Notes:*

1. *Information shown in the above table has been extracted from the relevant announcements of the rights issue of the respective Comparables.*

2. *"N/A" denotes that the relevant information was not disclosed in the respective announcements of the rights issue of the respective Comparables.*

3. *The respective Comparables recorded net liabilities according to its respective latest published audited/unaudited consolidated financial statements, and hence the respective net asset value cannot be calculated.*

4. *"NA" denotes that the subject rights issue was no theoretical dilution effect.*

5. *"N/A" denotes that the subject rights issue was conducted without the involvement of any placing or underwriting, and hence no placing commission or underwriting fee was disclosed in the relevant announcements of the rights issue of the respective Comparables.*

6. *The respective Comparables are considered as outliers (the "**Outliers**") due to the significant premium of subscription price per rights issue share over its respective net asset value per share, and hence these outliers are disregarded and excluded in the calculation of the maximum, minimum, average and median discount/premium of the subscription price per rights issue share to the net asset value per share.*

7. *Fire Rock Holdings Limited (stock code: 1909) disclosed a placing commission at a fixed fee and hence it is excluded for the calculation of the maximum, minimum, average and median placing commission.*

As shown in the above Comparables Table, we note that

(i) 52 out of 58 Comparables conducted the rights issue at a discount to the closing price on the last trading day prior to their respective announcements of rights issue, and 55 out of 58 Comparables conducted at a discount to the average closing price per share for the last five (5) consecutive trading days immediately up to and including the last trading day prior to their respective announcements of rights issue;

(ii) the Comparables had subscription prices at a discount/premium to their respective closing price per share on the last trading day prior to their respective announcements of rights issue within the range from a discount of approximately 72.28% to a premium of approximately 26.58%, with an average discount of approximately 25.69% and median discount of approximately 25.60%. As such, the Subscription Price has a discount of approximately 20.63% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day, which falls within the range of the Comparables and above the average and median of the Comparables;

(iii) the Comparables had subscription prices at a discount/premium to their respective average closing price per share for the last five (5) consecutive trading days immediately up to and including the last trading day prior to their respective announcements of rights issue within the range from a discount of approximately 72.28% to a premium of approximately 31.23%, with an average discount of approximately 26.22% and median discount of approximately 25.92%. As such, the Subscription Price has a discount of approximately 19.35% to the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day (the "**5 Days Average Price**"), which falls within the range of the Comparables and above the average and median of the Comparables;

(iv) the Comparables had subscription prices at a discount/premium to their respective average closing price per share for the last ten (10) consecutive trading days immediately up to and including the last trading day prior to their respective announcements of rights issue within the range from a discount of approximately 72.28% to a premium of approximately 30.55%, with an average discount of approximately 27.73% and median discount of approximately 26.75%. As such, the Subscription Price has a discount of approximately 24.24% to the average closing price per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and

including the Last Trading Day (the "**10 Days Average Price**"), which falls within the range of the Comparables and above the average and median of the Comparables;

(v) the Comparables had subscription prices at a discount/premium to their respective ex-rights price within the range from a discount of approximately 66.10% to a premium of approximately 24.51%, with an average discount of approximately 12.53% and median discount of approximately 12.61%. As such, the Subscription Price has a discount of approximately 7.98% to the theoretical ex-rights price, which falls within the range of the Comparables and above the average and median of the Comparables;

(vi) the Comparables had subscription prices at a discount/premium to their respective net asset value per share within the range from a discount of approximately 97.87% to a premium of approximately 79.09%, with an average discount of approximately 46.59% and median discount of approximately 63.84%, by excluding the Outliers. As such, the Subscription Price has a discount of approximately 54.79% to the net asset value of the Company based on the latest published unaudited net asset value attributable to owners of the Company as at 31 December 2025, which falls within the range of the Comparables and above the median of the Comparables but below the average of the Comparables; and

(vii) the theoretical dilution effect of the rights issue conducted by the Comparables ranged from a discount of approximately 0.53% to 24.78% with an average and median discounts of approximately 13.65% and 13.79% respectively. The theoretical dilution effect of the Rights Issue of approximately 13.76% falls within the range of the Comparables and above the median of the Comparables but below the average of the Comparables.

In view of the above and taking into account that (i) in general, it is common for listed issuers in Hong Kong to conduct rights issue at a discount to the market price in order to enhance the attractiveness of a rights issue transaction; (ii) the Subscription Price generally falls below the daily closing prices of the Shares during the Review Period; (iii) the trading liquidity of the Shares during the Review Period were relatively thin; and (iv) the discounts of the Subscription Price to the closing price on the Last Trading Day, the 5 Days Average Price, the 10 Days Average Price, the net asset value per Share and the theoretical dilution effect of the Rights Issue fall within the ranges of the Comparables and above the average and median of the Comparables, despite the theoretical dilution effect of the Rights Issue is slightly below the average of the Comparables as well as a discount to the net asset value of the Company is below the average of the Comparables due to the fact that, as stated in the Letter from

the Board, the Shares were traded at a relatively large discount to the net asset value attributable to the Shareholders per Share for the one month preceding the Last Trading Day and the share price is on the downward trend which reflected the current market sentiment and thus the Board is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price, we consider that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

***3.2 Absence of excess application arrangement and non-underwritten basis***

As stated in the Letter from the Board, on a best efforts basis through the Placing under Rule 7.21(1) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue. Subject to the fulfilment of conditions of the Rights Issue, 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 that the Rights Issue is not fully subscribed, any Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) together with the ES Unsold Rights Shares (collectively, the Placing Shares) will be placed to independent Placees on a best effort basis through the Placing. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Based on our findings in the Comparables Table, we note that it is common for rights issue to be conducted on a non-underwritten basis and no excess application arrangements as there are 53 out of 58 Comparables conducted rights issue on a non-underwritten basis (eight of them conducted on a non-fully underwritten basis) and 36 out of 58 Comparables conducted rights issue with no excess application arrangements.

***3.3 Placing Agreement and placing commission***

As stated in the Letter from the Board, on 27 March 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure on a best effort basis not less than six (6) Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), to subscribe for the Placing Shares at the Subscription Price during the Placing Period on and subject to the terms and conditions set out in the Placing Agreement. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange and the EGM.

Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue, i.e. all the Rights Shares are fully subscribed by the Qualifying Shareholders or renouncee(s) or transferee(s) under the PAL(s), the Placing will not proceed.

For further details of the Placing Agreement, please refer to the section headed "The Placing Agreement" in the Letter from the Board.

According to the Letter from the Board, 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. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms and are fair and reasonable. Given that the Placing would provide (i) a distribution channel of the Placing Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, so that the Placing would allow the Company to raise the shortfall of funds required where possible after the Rights Issue, the Board considers that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on our findings in the Comparables Table, we note that it is also common for the rights issue with no excess application arrangements to be conducted with the involvement of placing as all the Comparables which had no excess application arrangements (i.e. 36 Comparables) conducted with the involvement of placing, and hence we concur with the Directors' view that the Placing would provide an alternative channel for the Company to raise the shortfall of funds required after the Rights Issue if the Rights Issue is not fully subscribed. Thus, we consider that the Placing after the Rights Issue in the event that the Rights Issue is not fully subscribed is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As shown in the Comparables Table, the placing commission of the Comparables ranged from 0.20% to 5.00% with an average and median of approximately 1.93% and 2.00% respectively. We note that the placing commission of the Placing equivalent to 4.00% of the amount which is equal to the Placing Price multiplied by the total number of the Placing Shares which are successfully placed by the Placing Agent, which falls within the range of the Comparables and close to the high end of the Comparables. As stated in the Letter from the Board, the placing commission was 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. As discussed with the management of the Company, we understand that a relatively high placing commission can encourage the Placing Agent to place the Unsubscribed Rights Shares together with the ES Unsold Rights Shares and thus increase the chance to raise the shortfall of funds required in the event that the Rights Issue is not fully subscribed.

Taking into consideration that (i) the placing commission of the Placing falls within the range of the Comparables; (ii) the daily closing prices of the Shares shows a general downward trend particularly in March 2026, being the month of the publication of the Announcement, as shown in the above paragraph headed "Historical closing prices of the Shares" in this letter; (iii) the trading liquidity of the Shares during the Review Period were

relatively thin as discussed in the above paragraph headed "Historical trading volume of the Shares" in this letter; and (iv) a relatively high placing commission can encourage the Placing Agent to complete the Placing and thus increase the chance to raise the shortfall of funds required by the Company in the event that the Rights Issue is not fully subscribed, we are of the view that the placing commission of the Placing is reasonable and justified.

**4. Dilution effect of the Rights Issue on the shareholding of the Company**

All Qualifying Shareholders are entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain unplaced under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Details of the change in shareholding structure of the Company arising from completion of the Rights Issue, please refer to the section headed "Change in Shareholding Structure of the Company" in the Letter from the Board.

Immediately upon the completion of the Rights Issue, assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent, we note that the shareholding interests of the Qualifying Shareholders will be diluted by up to a maximum of approximately 66.67%, which falls within the range of the Comparables from approximately 11.11% to 87.50% as shown in the Comparables Table.

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 as discussed in the section headed "3. Principal terms of the Rights Issue" in this letter. In view of (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; (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group; (iv) the potential dilution impact of the Rights Issue falls within the range of the Comparables; (v) the Rights Issue would enhance the Group's financial position and strengthen its capital base for its business operation; and (vi) potential dilution to the shareholding interests of the Shareholders only happens to the Qualifying Shareholders who decide not to accept their assured entitlements in full and not to sell the Nil-paid Rights in the market, we are of the opinion that the potential dilution impact to the Shareholders who do not participate in the Rights Issue as a result of the Rights Issue is acceptable.

**5. Possible financial effects of the Rights Issue**

Our analysis on the financial effects of the Rights Issue on the Group's net tangible assets value, gearing ratio and liquidity position are set out below. However, it should be noted that the below analysis is for illustrative purpose only and does not purport to represent how the financial position of the Group would be upon the completion of the Rights Issue, and does not provide any assurance or indication that any event will take place in the future.

***5.1 Net tangible assets value***

Taking into account the net proceeds from the Rights Issue, it is expected that the net tangible assets value of the Group will increase as a result of the Rights Issue. We note from the section headed "Unaudited Pro Forma Financial Information of the Group" as set out in Appendix II to the Circular that the unaudited consolidated net tangible assets value of the Group attributable to the owners of the Company as at 31 December 2025 was approximately RMB56.9 million, while the unaudited consolidated net tangible assets value per Share as at 31 December 2025 before the completion of the Rights Issue was approximately RMB0.553 per Share. Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK$1.5 million) is expected to be approximately HK$50.0 million (equivalent to approximately RMB43.4 million). After pro forma adjustments, the unaudited pro forma adjusted consolidated net tangible assets value of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue would increase to approximately RMB100.3 million, while the unaudited pro forma adjusted consolidated net tangible assets value of the Group per Share attributable to the owners of the Company immediately after the completion of the Rights Issue would decrease to RMB0.325 per Share. Such decrease is due to the fact that approximately HK$50.0 million (after deducting the estimated expenses) (equivalent to approximately RMB43.4 million) would be raised upon completion of the Rights Issue and enhance the cash position of the Group.

***5.2 Gearing ratio and liquidity position***

According to the 2025 Interim Report, the unaudited bank balances and cash was approximately RMB2.6 million as at 31 December 2025. Immediately upon completion of the Rights Issue, the bank balances and cash of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately HK$50.0 million (equivalent to approximately RMB43.4 million). In addition, the gearing ratio of the Group, which is calculated as total liabilities divided by total assets of the Group was approximately 71.7% as at 31 December 2025. Upon completion of the Rights Issue, the total equity of the Group

will be enlarged by the expected net proceeds from the Rights Issue of approximately HK$50.0 million (equivalent to approximately RMB43.4 million), and thus the gearing ratio of the Group will be lower and the liquidity position of the Group will be improved.

**RECOMMENDATION**

Having considered the principal factors and reasons discussed above, in particular, (i) the bank balances and cash of the Group decreased of approximately 42.2% to approximately RMB2.6 million as at 31 December 2025 and further decreased to approximately RMB1.3 million as at 31 March 2026; (ii) the benefits of the Rights Issue and the funding needs of the Group as discussed; (iii) the Rights Issue being considered as a more attractive option as compared with other alternatives in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position; (iv) all Qualifying Shareholders are entitled to subscribe for the Rights Shares at the same price so as to maintain their proportionate interests in the Company and participate in the future growth of the Group; and (v) the positive financial impact of the Rights Issue on the net tangible assets value, gearing ratio and liquidity position of the Group, we are of the view that the terms of the Rights Issue are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue and the transactions contemplated thereunder are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and recommend the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
**Zijing Capital Limited**
**Lu Ting Pong Johnny**
*Executive Director*

*Mr. Lu Ting Pong Johnny is a licensed person and the responsible officer of Zijing Capital Limited registered with the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 30 June 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.01069.com.cn).

- Interim report for the six months ended 31 December 2025 (pages 16 to 40): https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0331/2026033104543.pdf
- Annual report for the year ended 30 June 2025 (pages 36 to 118): https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1031/2025103102774.pdf
- Annual report for the year ended 30 June 2024 (pages 44 to 128): https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1031/2024103101926.pdf
- Annual report for the year ended 30 June 2023 (pages 47 to 142): https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000408.pdf

## 2. INDEBTEDNESS STATEMENT

As at the close of business of 31 March 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

**Promissory Notes Payable**

The Group had outstanding promissory notes in the principal amount of HK$120.0 million (equivalent to approximately RMB110.03 million), which were issued on 28 July 2023 and are payable to Independent Third Parties. These outstanding promissory notes have a maturity of five years (i.e. maturing on 28 July 2028) and carry a stepped interest rate of nil for the first year, 2% per annum for the second year, 3% per annum for the third year, 4% per annum for the fourth year and 6% per annum for the fifth year, payable annually in arrears. The promissory notes, which are non-guaranteed, are secured by a charge over all forest lands owned by the Group. As at the close of business on 31 March 2026, the remaining balance of the promissory notes was approximately RMB113.8 million.

**Amounts Due to Former Directors and Existing Shareholders**

As at 31 March 2026, the amounts due to former directors and existing shareholders included within trade and other payables were approximately RMB25.2 million. All the amounts due to former directors and existing shareholders were unsecured and non-guaranteed.

Save as aforesaid, as at the close of business on 31 March 2026, the Group had no bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments.

**Mortgages and Charges**

As at the close of business on 31 March 2026, the promissory notes in the aggregate principal amount of HK$120.0 million were issued on a non-guaranteed basis and were secured by a charge over all forest lands owned by the Group.

Save as aforesaid, the Group had no other mortgages or charges as at 31 March 2026.

**Contingent liabilities**

As at the close of business on 31 March 2026, the Group had no material contingent liabilities or guarantees.

**Lease liabilities**

As at the close of business on 31 March 2026, the Group had lease liabilities of approximately HK$0.2 million, representing the present value of the remaining lease payments for the leased property discounted by the Group's incremental borrowing rate in accordance with HKFRS 16. All the lease liabilities were unsecured and non-guaranteed.

## 3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue and the Placing, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular in the absence of any unforeseen circumstances. The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

## 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the businesses of forestry management, ginseng plantation and trading, horny goat weed plantation and trading, health products trading and investment holding.

In respect of the forestry management business, in December 2025, the Group has obtained the logging permits for the calendar year of 2026 with logging quantity of 5,250 cubic meters in aggregate, which is higher than the logging quantity obtained last year.

In respect of the ginseng business, to reduce reliance on the Supplier, the Group intends to gradually decrease the purchases of aged ginseng from the Supplier when it has self-grown sufficient inventory of aged ginseng. Currently, the Group successfully cultivated the first phase of ginseng and sold them every year. The ginseng plants from the plantation process shares the same genes as those supplied by the Supplier, therefore the quality of which is guaranteed. Nonetheless, the Group will conduct self-inspection from time to time and engages third-party laboratory for laboratory testing on an annual basis in order to ensure the quality of its ginseng and the nutrient content is able to meet the customer requirements.

The Group has commenced the manufacturing and trading of health products since November 2024. The business is currently focused in Hong Kong, the Group aims to expand its market into China in the future.

In June 2024, the Group has successfully planted the first batch of horny goat weed in its forest land owned by the Group and added 28 Chinese mu of horny goat weed cultivation in July 2024. It is expected the horny goat weed will be sold to customers by June 2026 and generate revenue in the future. The reason for the delayed sale is that the Group must first increase its supply of horny goat weed to secure higher-quality customers.

## A. UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the "**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" as issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as at 31 December 2025 attributable to owners of the Company as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information is prepared by the Directors for illustrative purposes only, based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of adjusted consolidated net tangible assets of the Group attributable to owners of the Company following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared by the Directors based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025, extracted from the Group's condensed consolidated interim financial statements for the six months ended 31 December 2025, on which an interim report has been published, with adjustment described below.

| | **Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025** *RMB'000* *(Note 1)* | **Estimated net proceeds from the Rights Issue** *RMB'000* *(Note 2)* | **Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue** *RMB'000* | **Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 31 December 2025** *RMB* *(Note 3)* | **Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company immediately after the completion of the Rights Issue** *RMB* *(Note 4)* |
|---|---|---|---|---|---|
| Based on 205,848,440 Rights Shares to be issued at the Subscription Price of HK$0.25 or RMB0.217* per Rights Share | 56,886 | 43,365 | 100,251 | 0.553 | 0.325 |

* *Assuming RMB1:HK$1.15*

*Notes:*

1 The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB56,886,000 were extracted from unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 as set out in the interim report of the Group for the six months ended 31 December 2025.

2 The estimated net proceeds from the Rights Issue are based on 205,848,440 Rights Shares to be issued (in the proportion of two Rights Shares for every one existing Share held on the Record Date on a non-fully underwritten basis) at the Subscription Price of HK$0.25 or RMB0.217 (assuming RMB1:HK$1.15) per Rights Share and after deduction of estimated professional fees and other related expenses of approximately RMB1,304,000 (equivalent to approximately HK$1,500,000).

| | *RMB'000* |
|---|---|
| Estimated net proceeds from the issue of 205,848,440 Rights Shares multiplied by RMB0.217 per Rights Share | 44,669 |
| Estimated professional fees and other related expenses | (1,304) |
| | 43,365 |

3 The unaudited consolidated net tangible assets of the Group per Share attributable to owners of the Company as at 31 December 2025 of RMB0.553 was based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB56,886,000 and 102,924,220 Shares in issue as at 31 December 2025.

| | |
|---|---|
| Unaudited consolidated net tangible assets of the Group attributable to owners of the Company *(RMB'000)* | 56,886 |
| Number of Shares | 102,924,220 |
| Unaudited consolidated net tangible assets of the Group per Share attributable to owners of the Company *(RMB)* | 0.553 |

4 The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after the completion of the Rights Issue is arrived after aggregating the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately RMB56,886,000 as at 31 December 2025 (Note 1) and the estimated net proceeds of approximately RMB43,365,000 (equivalent to approximately HK$50,000,000) from the Rights Issue (Note 2), and divided by the sum of 102,924,220 Shares in issue as at 31 December 2025 and 205,848,440 Rights Shares issued under the Rights Issue assuming the Rights Issue had been completed on 31 December 2025, but does not take into account any Shares which might be issued upon the exercise of options granted under the Share Option Scheme, if any, or any Shares which might be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

| | |
|---|---|
| Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue *(RMB'000)* | 100,251 |
| Number of shares | 308,772,660 |
| Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to owners of the Company *(RMB)* | 0.325 |

5 For the purpose of unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after the completion of the Rights Issue, the amounts in Hong Kong dollars are converted into RMB at the rate of RMB1:HK$1.15. No representation is made that the RMB amounts have been, could have been to Hong Kong dollars, or vice versa, at that rate or any other rates at all.

6 No adjustment has been made to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 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 accountants, Jon Gepsom CPA Limited, Certified Public Accountants, Hong Kong.

**To the Directors of China Health Technology Group Holding Company Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Health Technology Group Holding 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 statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages II-1 to II-3 of the Company's Circular dated 24 April 2026 (the "**Circular**"), in connection with the proposed rights issue on the basis of two rights shares for every one existing share held on the record date on a non-underwritten basis at a subscription price of HK$0.25 per each rights share (the "**Proposed Rights Issue**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-3 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Rights Issue as if the Proposed Rights Issue had taken place on 31 December 2025. As part of this process, information about the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 has been extracted by the Directors from Group's unaudited condensed consolidated interim financial statements for the six months ended 31 December 2025, on which no audit or review report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 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**") as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirement 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 behaviour.

The 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 qualify management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) 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 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the 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 the Circular is solely to illustrate the impact of the Proposed Rights Issue on unadjusted financial information of the Group as if the Proposed Rights Issue 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 Proposed Rights Issue 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 pro forma adjustment gives 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' judgement, having regard to the reporting accountants' understanding of the nature of the Group, 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.

We make no comments regarding the reasonableness of the amount of net proceeds from the Proposed Rights Issue.

**Opinion**

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

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

(c) the adjustment is appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Jon Gepsom CPA Limited**
*Certified Public Accountants*
Hong Kong, 24 April 2026

## 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 issued share capital of the Company (i) as at the Latest Practicable Date (excluding treasury shares, if any); and (ii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue) are as follows:

**(i) As at the Latest Practicable Date:**

| | *Number* |
|---|---|
| Existing Shares | 102,924,220 |

**(ii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)**

| | *Number* |
|---|---|
| Existing Shares | 102,924,220 |
| Rights Shares to be allotted and issued | 205,848,440 |
| Total Shares | 308,772,660 |

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

The 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 nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. The Rights Shares (in both nil-paid and fully paid forms) will be traded in the board lots of 10,000 Shares. No part of the equity or debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date.

## 3. DISCLOSURE OF INTERESTS

### (i) Directors' interests in the Shares of the Company

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or 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 had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

### (ii) Substantial shareholders' interests in the Shares of the Company

| Name of the substantial Shareholders | Capacity/Nature Number of interest | Number of Shares held | Approximate percentage of shareholding |
|---|---|---|---|
| Zhonggangtong International Holding Group Co., Limited | Beneficial Owner | 8,056,800 | 7.83% |
| Ms. Huang Hou | Interest in a controlled corporation | 8,056,800[(1)] | 7.83% |

*Note:*

(1) Zhonggangtong International Holding Group Co., Limited is wholly owned by Ms. Huang Hou. Accordingly, Ms. Huang Hou is deemed, or taken to be, interested in all the Shares held by Zhonggangtong International Holding Group Co., Limited for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

None of the Directors 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 were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2025, being the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

## 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 other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 6. COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) has any interest in any business that competes or may compete, either directly or indirectly, with the business of the Group.

## 7. MATERIAL LITIGATION

As at the Latest Practicable Date, no litigation or claims of material importance is pending or threatened against any member of the Group.

## 8. MATERIAL CONTRACTS

Save for the following, there was no material contract (not being contracts entered into in the ordinary course of business) which had been entered into by the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(i) the Placing Agreement;

(ii) the placing agreement dated 22 July 2025 entered into between the Company and Cheong Lee Securities Limited ("**Cheong Lee**"), pursuant to which Cheong Lee has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the placing of a maximum of 17,000,000 shares to not less than six placees at the placing price of HK$0.28 per share;

(iii) the placing agreement dated 4 September 2024 entered into between the Company and Cheong Lee, pursuant to which Cheong Lee has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the placing of a maximum of 14,300,000 shares to not less than six placees at the placing price of HK$0.043 per share; and

(iv) the placing agreement dated 28 May 2024 (as supplemental by a supplemental agreement dated 18 June 2024) entered into between the Company and Cheong Lee, pursuant to which Cheong Lee has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the placing of a maximum of 14,300,000 shares to not less than six placees at the placing price of HK$0.063 per share.

## 9. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this Circular (collectively, the "**Experts**"):

| **Name** | **Qualification** |
|---|---|
| Jon Gepsom CPA Limited | Certified Public Accountants |
| Zijing Capital Limited | a licensed corporation carrying out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |

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 interest 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 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 10. EXPENSES

The expenses in relation to the Rights Issue and the Placing (including financial advisory fee, printing, translation, registration, legal, accounting, levy, documentation charges and placing commission) payable by the Company are estimated to be approximately HK$1.5 million, subject to the final subscription.

## 11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

| | |
|---|---|
| **Company Secretary** | Mr. Chan Ngai Fan |
| **Authorised Representatives** | Ms. Bu Xue<br>Mr. Chan Ngai Fan |
| **Principal Banker** | Hang Seng Bank Limited<br>Hang Seng Bank Bldg., 83 Des Voeux Road Central,<br>Hong Kong |
| **Legal Adviser to the Company as to Hong Kong laws and the Rights Issue** | Bird & Bird<br>6/F, The Annex, Central Plaza,<br>18 Harbour Road,<br>Wanchai, Hong Kong SAR |
| **Auditors and reporting accountant** | Jon Gepsom CPA Limited<br>Certified Public Accountants<br>Room 03-05, 10/F, Siu On Centre,<br>188 Lockhart Road, Wan Chai, Hong Kong. |
| **Registered Office** | PO Box 1350<br>Windward 3<br>Regatta Office Park<br>Grand Cayman<br>KY1-1108<br>Cayman Islands |

| | |
|---|---|
| **Principal Place of Business in Hong Kong** | Unit 12, 12/F, Tower A, New Mandarin Plaza,<br>No. 14 Science Museum Road,<br>Tsim Sha Tsui, Kowloon, Hong Kong |
| **Share Registrar and Transfer Office** | Tricor Investor Services Limited<br>17/F, Far East Finance Centre,<br>16 Harcourt Road,<br>Hong Kong |
| **Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders** | Zijing Capital Limited<br>Suite 2112, 21/F,<br>Shui On Centre<br>6-8 Harbour Road,<br>Wanchai,<br>Hong Kong |

## 12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

**Executive Directors:**

**Ms. Bu Xue,** aged 36, was appointed as an independent non-executive Director on 14 August 2023 and was re-designated as an executive Director on 1 April 2025. Ms. Bu obtained her Bachelor's degree in Business Administration from Zhengzhou University of Aeronautics in July 2011. She has attained the accounting professional qualification issued by Ministry of Human Resources and Social Security and Ministry of Finance of the People's Republic of China since September 2020 and has attained the qualification of tax advisor issued by The China Certified Tax Agents Association since December 2022. She has over ten years of experience in marketing and business development.

**Ms. Cao Xiying**, aged 32, joined the Group as an executive Director in January 2026. She graduated from Harbin University (哈爾濱學院) in 2015 with a college degree in business administration. Ms. Cao has extensive experience in project management and sales and marketing. She worked as the project manager in Shenzhen Shanhuitong Internet and Finance Services Company Limited* (深圳杉匯通互聯網金融服務有限公司) from 2017 to 2025 and has been working as the operating director of Jinshi Media Technology (Shenzhen) Company Limited* (金石傳媒科技(深圳)有限公司) from 2025 to present.

**Independent Non-executive Directors:**

**Mr. Chau Wing Nam**, aged 38, joined the Group as an independent non-executive Director in August 2023. Mr. Chau is the chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He obtained his Bachelor's degree in Accounting and Accounting Technologies from the Curtin University of Technology in August 2012. He has been a member of Hong Kong Institute of Certified Public Accountants since May 2017. He has over ten years of experience in auditing, accounting and corporate management and is currently responsible for corporate finance, mergers and acquisitions matters, investors relations, corporate governance as well as compliance affairs. Mr. Chau is currently an independent non-executive director of E-Station Green Technology Group Co. Limited (formerly known as K Group Holdings Limited with HKEX stock code: 8475) since June 2022 and an independent non-executive director of RMH Holdings Limited (HKEX stock code: 8437) since March 2024. Mr. Chau has been an independent non-executive director of Mobile Internet (China) Holdings Limited (previously listed on HKEX with stock code: 1439) since February 2023 to August 2024.

**Ms. Liu Shuhua,** aged 56, joined the Group as an independent non-executive Director in April 2025. Ms. Liu is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. She graduated from Henan University of Finance and Law (河南財經政法大學) in 1993 with a bachelor's degree in law, and holds a lawyer's qualification certificate in the People's Republic of China. Ms. Liu has extensive experience in legal professional services and business management. She had served as the permanent legal adviser and investment adviser of a number of large-scale state-owned enterprises and joint-stock companies. She worked in Henan Chengda Law Firm (河南誠達律師事務所) from 1989 to 2004, served as the legal adviser of Henan Jianye Group (河南建業集團) from 2004 to 2022, and has served as the chairman of the board of directors of Beijing Xianghua Yongxin Technology Co., Ltd. (北京祥華永信科技有限公司) since 2023.

**Mr. Li Liangjie,** aged 36, joined the Group as an independent non-executive Director in January 2026. Mr. Li is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He graduated from Henan University of Animal Husbandry and Economy (河南牧業經濟學院) in 2011 with a bachelor degree in e-commerce. Mr. Li has over 15 years of experience in sales management and has over 9 years of experience in online marketing and sales management within the health and wellness sector. He worked as the sales director in Henan Yuhuan Health Technology Group Co., Limited* (河南雲環健康科技集團有限公司) ("**Henan Yuhuan**") from 2016 to present. Henan Yuhuan is a comprehensive enterprise deeply engaged in the health and wellness industry, with business coverage including health consultation, remote health management, as well as supporting services such as marketing planning and brand management. Mr. Li is responsible for building the group's marketing system and overseeing sales management. He has led the integration of online and offline marketing resources and driven the achievement of sales targets.

**Senior Management:**

**Mr. Chan Ngai Fan ("Mr. Chan")**, aged 46, was appointed as the company secretary and an authorised representative of the Company in May 2021. Mr. Chan has approximately 15 years of experience in auditing, accounting and financial management. In the early stage of his career, Mr. Chan worked successively in JBPB & Company (formerly known as Grant Thornton and later merged with BDO Limited), with his last position as an assistant manager in assurance from August 2007 to February 2011. From March 2011 to April 2015, he served as the chief financial officer of a PRC-based mining company. Mr. Chan acted as the financial controller of KPa-BM Holdings Limited (stock code: 2663) from May 2015 to April 2018. He acted as an independent non-executive director of Sino Vision Worldwide Holdings Limited (formerly DX. com Holdings Limited) (stock code: 8086) from August 2017 to September 2018. In addition, he acted as a non-executive director of Shenzhen Mingwah Aohan High Technology Corporation Limited (stock code: 8301) from September 2016 to April 2018 and from January 2019 to March 2019. He also acted as an executive director and the chief financial officer of Shenzhen Mingwah Aohan High Technology Corporation Limited (stock code: 8301) from April 2018 to January 2019. Afterwards, he acted as the company secretary of Sino Vision Worldwide Holdings Limited (formerly DX. com Holdings Limited) (stock code: 8086) from January 2019 to May 2019. In addition, he acted as an independent non-executive director of Sanxun Holdings Group Limited (stock code: 6611) from September 2019 to September 2023 and acted as an independent non-executive director of Contel Technology Company Limited (stock code: 1912) from March 2022 to June 2023. He also acted as an independent non-executive director of Capital Finance Holdings Limited (stock code: 8239) from January 2022 to September 2025. Currently, he acts as an independent non-executive director of Leader Education Limited (stock code: 1449) since July 2020, an independent non-executive director of Persistence Resources Group Ltd (stock code: 2489) since November 2023, an independent non-executive director of Smart Fish Wealthlink Holdings Limited (formerly known as Central Wealth Group Holdings Limited) (stock code: 139) since July 2024, an independent non-executive director of Anhui Jinyan New Materials Co., Ltd (stock code: 2693) since October 2024 and an independent non-executive director of Skymission Group Holdings Limited (stock code: 1429) since March 2026. He also acted as the joint company secretary of Centenary United Holdings Limited since January 2019, the company secretary of Bison Finance Group Limited (stock code: 888) since August 2022 and the company secretary of Zhengwei Group Holdings Company Limited since June 2022 for handling compliance related matters. Mr. Chan obtained a bachelor's degree in Arts in Accountancy and a master's degree in Corporate Governance from the Hong Kong Polytechnic University in December 2007 and October 2013, respectively. He is a member of the Hong Kong Institute of Certified Public Accountants (Practising), and an associate member of the Hong Kong Institute of Chartered Secretaries since February 2011 and November 2019, respectively.

## 13. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.01069.com.cn) for a period of 14 days from the date of this circular.

(i) the annual reports of the Company for the financial years ended 30 June 2023, 2024 and 2025;

(ii) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 35 to 36 of this circular;

(iii) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-29 of this circular;

(iv) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;

(v) the material contracts referred to in the paragraph headed "**8. MATERIAL CONTRACTS**" of this appendix; and

(vi) the written consent referred to in paragraph headed "**9. EXPERTS AND CONSENTS**" of this appendix.

## 14. MISCELLANEOUS

(i) 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;

(ii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities;

(iii) The principal place of business in Hong Kong of all Directors and authorised representatives of the Company is Unit 12, 12/F, Tower A, New Mandarin Plaza, No. 14 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong; and

(iv) 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.



CHINA HEALTH

China Health Technology Group Holding Company Limited
中國健康科技集團控股有限公司
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock code: 1069)**

# NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**EGM**") of China Health Technology Group Holding Company Limited (the "**Company**") will be held at Room 1803, Zhongzhou Building, No. 3088 Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen on Tuesday, 12 May 2026 at 3:30 p.m. for the purpose of considering, and if thought fit, with or without amendments or modifications, passing the following resolutions as ordinary resolutions of the Company. Words and expressions that are not expressly defined in this notice of EGM shall bear the same meaning as those defined in the circular of the Company dated 24 April 2026 (the "**Circular**").

## ORDINARY RESOLUTIONS

"**THAT**

1. subject to the satisfaction of the conditions set out in the Letter from the Board under the heading "Conditions of the Rights Issue" in the Circular:

   (a) the allotment and issue of up to 205,848,440 rights shares (the "**Rights Shares**") in the share capital of the Company pursuant to an offer by way of rights issue (the "**Rights Issue**") to the Shareholders of the Company (the "**Shareholders**") at the subscription price of HK$0.25 per Rights Share on the basis of two (2) Rights Shares for every one (1) Share held by the Shareholders whose names appeared on the register of members of the Company on Friday, 22 May 2026 (the "**Record Date**") as described in further details in the Circular (a copy of which marked "A" is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and on and subject to

such terms and conditions as may be determined by the directors (the "**Director(s)**") of the Company, be and is hereby approved, confirmed and ratified;

(b) to the extent that the Rights Issue is not fully subscribed, the allotment and issue of any Unsubscribed Rights Shares and ES Unsold Rights Shares (being part of the Rights Shares authorised under paragraph (a) above) to independent Placees through the Placing on a best effort basis pursuant to the Placing Agreement, be and is hereby also approved, confirmed and ratified; and

(c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents as he/she/they consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Rights Issue and the transactions contemplated thereunder;

2. subject to the passing of resolution 1 as set out above and the satisfaction of the conditions set out in the Letter from the Board under the heading "The Placing Agreement" in the Circular:

(a) the placing agreement dated 27 March 2026 entered into between the Company and Tiger Faith Securities Limited (the "**Placing Agreement**") (a copy of the Placing Agreement marked "B" is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Shareholder(s) or renouncee(s) or transferee(s) of Nil-paid Rights under the PAL(s) at the placing price of HK$0.25 per Placing Share on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents as he/she/they consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Placing Agreement and the transactions contemplated thereunder."

By Order of the Board of
**China Health Technology Group Holding Company Limited**
**Bu Xue**
*Chairman and Executive Director*

Hong Kong, 24 April 2026

*Registered office:*
PO Box 1350
Windward 3
Regatta Office Park
Grand Cayman
KY1-1108
Cayman Islands

*Principal Place of Business in Hong Kong:*
Unit 12, 12/F, Tower A,
New Mandarin Plaza,
No. 14 Science Museum Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong

*Notes:*

1. The register of members of the Company will be closed from Tuesday, 5 May 2026 to Tuesday, 12 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 4 May 2026.

2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

3. A form of proxy for use of the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish, and, in such event, the form of proxy shall be deemed to be revoked.

4. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

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

6. Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolution set out in this notice will be taken by poll at the above meeting.

*As at the date of this notice, the Board comprises Ms. Bu Xue and Ms. Cao Xiying as the executive Directors; and Mr. Chau Wing Nam, Ms. Liu Shuhua and Mr. Li Liangjie as the independent non-executive Directors.*