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 stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) (the "**Company**"), you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

巨匠建设
JUJIANG CONSTRUCTION GROUP

JUJIANG CONSTRUCTION GROUP CO., LTD.
巨匠建設集團股份有限公司

(A joint stock limited liability company established in the People's Republic of China)

(Stock Code: 1459)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 80% EQUITY INTEREST IN A NON-WHOLLY OWNED SUBSIDIARY

Capitalised terms used on this cover page have the same meanings as defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 6 to 25 of this circular. The Valuation Report of the Target Company is set out in Appendix II to this circular.

The Company has obtained, in lieu of holding an extraordinary general meeting, written approval from the Closely Allied Group for the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder from the Closely Allied Group pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened to approve the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder. This circular is published for information only.

18 September 2026

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

"Announcement"	the announcement of the Company dated 30 June 2026 in relation to, among other things, the Equity Transfer Agreement, the Termination Agreement and the Disposal
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Bank"	Gaoqiao branch of Zhejiang Tongxiang Rural Commercial Bank Co., Ltd.* (浙江桐鄉農村商業銀行股份有限公司高橋支行)
"Board"	the board of Directors
"Business Day(s)"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in the PRC are generally open for business
"Closely Allied Group"	together, Jujiang Holdings and Jujiang Equity Investment, holding 400,000,000 Domestic Shares in aggregate, representing approximately 75.00% of the total number of issued Shares as at the Latest Practicable Date
"Company" or "Vendor"	Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1459)
"Completion"	completion of the Disposal pursuant to the terms and conditions of the Equity Transfer Agreement
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Consideration"	the total consideration of approximately RMB66.3 million (equivalent to approximately HK$76.3 million) payable by the Purchaser to the Company under the Equity Transfer Agreement for the Equity Interest
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and, in the case of the Company, means Mr. Lyu Yaoneng, Jujiang Holdings and Jujiang Equity Investment
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Equity Interest by the Company to the Purchaser pursuant to the Equity Transfer Agreement

"Domestic Share(s)"	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC natural persons or entities established under the laws of the PRC
"Equity Interest"	80% of the equity interest in the Target Company, being the subject matter of the Disposal
"Equity Transfer Agreement"	the equity transfer agreement dated 30 June 2026 entered into between the Company as vendor and the Purchaser in respect of the Disposal
"Engineering Construction Contract"	the engineering construction contract* (《工程施工合同》) dated 7 December 2018 entered into between the Target Company and the Company, pursuant to which the Company acted as the main contractor and was responsible for the engineering works of the PPP Contract
"Group"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign invested shares in the share capital of the Company, which are listed on the Main Board of the Stock Exchange with a nominal value of RMB1.00 each
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Implementation Agreement"	the agreement dated 30 October 2019 entered into among the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company in relation to the implementation of the PPP Contract
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected person(s)
"Independent Valuer"	Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.* (嘉興求真房地產資產評估有限公司), an independent PRC asset valuer
"Jujiang Equity Investment"	Zhejiang Jujiang Equity Investment Management Co., Ltd.* (浙江巨匠股權投資管理股份有限公司), a limited liability company established in the PRC, directly interested in approximately 36.75% of the issued Shares of the Company. Jujiang Equity Investment is one of the Controlling Shareholders of the Company

"Jujiang Holdings"	Zhejiang Jujiang Holdings Group Co., Ltd.* (浙江巨匠控股集團有限公司), a limited liability company established in the PRC, directly interested in approximately 38.25% of the issued Shares of the Company, and held by Mr. Lyu Yaoneng as to approximately 51.33%. Jujiang Holdings is one of the Controlling Shareholders of the Company
"Latest Practicable Date"	11 September 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing"	the listing of the Company's H shares on the Main Board of the Stock Exchange in January 2016
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Lyu Yaoneng"	Mr. Lyu Yaoneng (呂耀能), one of the Controlling Shareholders and the chairman of the Company
"mu"	means mu (畝), a unit of land traditionally used in East Asia equivalent to approximately 666.67 sq.m.
"percentage ratios"	the percentage ratios as defined in Rule 14.07 of the Listing Rules
"PPP Contract"	the Tongxiang City Youth Quality Education Practice Base Project PPP Contract (《桐鄉市青少年素質教育實踐基地項目PPP合同》) dated 7 December 2018 entered into between the Tongxiang City Education Bureau and the Target Company
"PPP Project"	the Tongxiang City Youth Quality Education Practice Base PPP Project* (桐鄉市青少年素質教育實踐基地PPP項目), a public-private partnership project regarding the investment, financing, development, construction, operation, maintenance and management of a quality education practice base for youth in Tongxiang City, Zhejiang Province, the PRC, approved by the Tongxiang City People's Government pursuant to the Reply on Approving the Implementation Plan for the Tongxiang City Youth Quality Education Practice Base PPP Project (Tong Zheng Han [2018] No. 35) (《關於同意桐鄉市青少年素質教育實踐基地PPP項目實施方案的批復》(桐政函[2018]35號))

"PRC"	the People's Republic of China, for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Purchaser"	Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司), a limited liability company established in the PRC, being the government investment representative authorised by the Tongxiang City People's Government for the PPP Project, and the holder of 20% of the equity interest in the Target Company immediately prior to Completion
"RMB"	Renminbi, the lawful currency of the PRC
"Settlement Sum"	RMB35,454,513.96 (equivalent to approximately HK$40,789,822.78), being the portion of the Consideration to be paid by the Purchaser directly into the account designated by the Bank to discharge the indebtedness secured by the Share Charge
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the Domestic Share(s) and the H Share(s) of the Company
"Share Charge"	the share charge granted by the Company in favour of the Bank over the Equity Interest as continuing security for the indebtedness owing by the Company to the Bank
"Shareholder(s)"	the holder(s) of the Shares
"sq. m."	means square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	supervisor(s) of the Company

"Target Company"	Tongxiang City Youth Quality Education Practice Base Co., Ltd.* (桐鄉市青少年素質教育實踐基地有限責任公司), a company incorporated in the PRC with limited liability, owned as to 80% by the Company and 20% by the Purchaser immediately prior to the date of the Equity Transfer Agreement
"Termination Agreement"	the agreement dated 30 June 2026 entered into among the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company in relation to the termination of the PPP Contract and the Implementation Agreement, conditional upon and to take effect on Completion
"Tongxiang City Education Bureau"	Tongxiang City Education Bureau* (桐鄉市教育局), being the project implementing agency authorised by the Tongxiang City People's Government for the PPP Project
"Valuation Benchmark Date"	31 December 2025, being the valuation benchmark date adopted in the Valuation Report
"Valuation Report"	the asset valuation report in respect of the Target Company prepared by the Independent Valuer, using the asset-based approach with 31 December 2025 as the valuation benchmark date, the text of which is set out in Appendix II to this circular
"%"	per cent.

English names of the PRC established companies/entities in this circular are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.

In this circular, RMB has been converted to HK$ at the rate of RMB0.8692 = HK$1.00 for illustration purpose only. No representation is made that any amounts in RMB or HK$ have been, could have been or could be converted at the above rate or at any other rates or at all.

* *For identification purpose only*

JUJIANG CONSTRUCTION GROUP CO., LTD.
巨匠建設集團股份有限公司

(A joint stock limited liability company established in the People's Republic of China)
(Stock Code: 1459)

Executive Directors:
Mr. Lyu Yaoneng (呂耀能) *(Chairman)*
Mr. Lyu Dazhong (呂達忠)
Mr. Li Jinyan (李錦燕)
Mr. Lu Zhicheng (陸志城)
Mr. Shen Haiquan (沈海泉)
Mr. Zheng Gang (鄭剛)

Independent non-executive Directors:
Mr. Ma Tao (馬濤)
Mr. Wang Xinglong (汪興龍)
Ms. Lam Fei Sui (林菲萃)

Registered Office:
No. 669 Qingfeng South Road (South)
Tongxiang City
Zhejiang Province
PRC

Head office and principal place of business in the PRC:
No. 669 Qingfeng South Road (South)
Tongxiang City
Zhejiang Province
PRC

Principal place of business in Hong Kong:
28/F, Henley Building,
5 Queen's Road Central,
Central, Hong Kong

18 September 2026

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE DISPOSAL OF 80% EQUITY INTEREST
IN A NON-WHOLLY OWNED SUBSIDIARY

INTRODUCTION

Reference is made to Announcement of the Company dated 30 June 2026 in relation to, among other things, the Equity Transfer Agreement, the Termination Agreement and the Disposal of Equity Interest, being 80% of the equity interest in the Target Company.

On 30 June 2026 (after trading hours), the Company as Vendor, and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest, being 80% of the equity interest in the Target Company, at the consideration of approximately RMB66.3 million (equivalent to approximately HK$76.3 million) (the "Consideration"). Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

On the same date, the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company entered into the Termination Agreement, pursuant to which, among other things, the parties agreed to terminate the PPP Contract and the Implementation Agreement in relation to the PPP Project, which is conditional upon and to take effect on Completion.

The purpose of this circular is to provide you with information regarding, among other things, (i) further details in relation to the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder; (ii) the financial information and other information required under the Listing Rules; and (iii) the Valuation Report of the Target Company.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

Date:	30 June 2026 (after trading hours)
Parties:	(i) the Company (as Vendor); and
	(ii) the Purchaser.
Subject matter:	Pursuant to the Equity Transfer Agreement, the Company has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest, being 80% of the equity interest in the Target Company. As at the Latest Practicable Date, the Target Company is held as to 80% by the Company and 20% by the Purchaser. Upon Completion, the Target Company will be wholly owned by the Purchaser.

Consideration and Payment Terms

The total Consideration for the Disposal is RMB66,312,601.14 (equivalent to approximately HK$76,291,533.76). The Consideration was determined after arm's length negotiations between the Company and the Purchaser, with reference to, among others, (i) the Valuation Report prepared by the Independent Valuer through the asset-based approach; (ii) the financial position and operating performance of the Target Company; and (iii) the matters set out in the section headed "Reasons for and Benefits of the Disposal" below.

The Consideration shall be paid by the Purchaser to the Company in the following manner:

(1) RMB20,000,000 (equivalent to approximately HK$23,009,664.06) has been paid by the Purchaser to the Company prior to the signing of the Equity Transfer Agreement;

(2) as the Equity Interest is currently subject to the Share Charge in favour of the Bank, the Purchaser shall, within five (5) Business Days after execution of the Equity Transfer Agreement, pay the Settlement Sum, i.e. RMB35,454,513.96 (equivalent to approximately HK$40,789,822.78), directly into the account designated by the Bank, which amount represented the full indebtedness secured by the Share Charge and was used to discharge it in full. If the underlying loan is overdue, the Settlement Sum shall be applied directly in repayment of principal, accrued interest and expenses; if not yet due, the Settlement Sum shall be deposited into a special account maintained by the Company with the Bank and supervised by the Bank, and shall be applied solely toward repayment when the loan falls due. During the supervision period, the Company may not use such funds without the written consent of the Purchaser. The Bank shall, within one (1) Business Day after receipt of the Settlement Sum, procure the discharge of the registration of the Share Charge over the Equity Interest and on the date of such discharge the Company shall co-operate with the Purchaser to complete the change-of-shareholder registration of the Equity Interest with the relevant market regulation authority; and

(3) within fifteen (15) Business Days after the change of shareholders of the Target Company has been duly registered with the relevant market regulation authority, the Purchaser shall pay the remaining Consideration of RMB10,858,087.18 (equivalent to approximately HK$12,492,046.92) into the Company's designated account.

If the Equity Interest is subject to undisclosed encumbrances or restrictions not disclosed under the Equity Transfer Agreement such that the change-of-shareholder registration cannot be effected, resulting in the Disposal being incapable of being performed, the Purchaser shall be entitled to refuse to pay the Consideration. If the Purchaser has already made any payment, any sums already paid by the Purchaser shall be refunded by the Company within three (3) Business Days of receipt of the Purchaser's written notice, together with interest thereon at the loan prime rate published by the National Interbank Funding Center (authorised by the People's Bank of China) from time to time, accruing from the date of receipt of such payment by the Company until the date of full refund.

Effectiveness and Completion

The Equity Transfer Agreement shall come into effect upon being signed by the legal representatives or authorised representatives of the Company and the Purchaser and sealed with their respective company seals, and upon the relevant shareholders' approval for the Equity Transfer Agreement having been obtained from each of the Company and the Target Company. The Company and the Purchaser shall, within 10 days after the effective date, jointly assist the Target Company in submitting the application for change-of-shareholder registration to the competent administration for market regulation and in completing such registration, so as to register the Equity Interest into the name of the Purchaser.

Under the Equity Transfer Agreement, the effective date is the delivery date of the Equity Interest, from which date the Purchaser becomes a shareholder of the Target Company and the shareholder rights and obligations in respect of the Equity Interest pass to the Purchaser.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser and the Target Company will cease to be a subsidiary of the Company. The Company will cease to hold any shares of the Target Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Default and Termination

Pursuant to the Equity Transfer Agreement, (i) if the Company fails to procure registration of the change of shareholders within 10 days of effectiveness of the Equity Transfer Agreement, it shall pay liquidated damages of RMB10,000 per day, and the Purchaser may terminate after 10 days' delay (in which case liquidated damages of 10% of the Consideration become payable by the Company); and (ii) corresponding provisions apply to the Purchaser if it fails to make payment when due.

VALUATION

Valuation

The Consideration (i.e. RMB66,312,601.14) was determined by the parties on an arm's length basis and with reference to, among others, (i) the Valuation Report prepared by the Independent Valuer through the asset-based approach, which sets out the value of all shareholders' equity interests in the Target Company as at the Valuation Benchmark Date (i.e. 31 December 2025); and (ii) the percentage of equity interests in the Target Company to be disposed of by the Company. As at the Valuation Benchmark Date, the book value of the net assets of the Target Company was RMB42,261,964.19, the adjusted book value was RMB63,469,315.45 and the appraised value was RMB80,424,410.22. The reasons for the difference between the book value and the appraised value of the asset items are set out in the sub-section headed "Reasons for the appreciation" below. On this basis, it was determined that 80% of the appraised value (i.e. approximately RMB64.3 million) shall be taken into consideration, among others, in determining the Consideration. Please refer to the section headed "Consideration and Payment Terms" for further details.

Valuation approach and methodology

In arriving at the appraised value of the Target Company, the Independent Valuer considered the three generally accepted valuation approaches: the market approach, the income approach, and the asset-based approach.

The market approach was not adopted for this valuation. This was primarily because the marketisation and information transparency of the PRC property rights trading market remain immature, and there were no transaction cases or reference data for entities in the same industry, of a similar scale, and sufficiently comparable to the Target Company. It was therefore not feasible to identify appropriate comparables or to ensure a reliable valuation outcome.

The income approach was also not adopted. This was because the Target Company's historical earnings have been unstable and its future income cannot be reliably forecasted, given the uncertainties surrounding its business model (the investment, development, construction and management of a government-linked youth education practice base) and the realisation of its future returns.

The Independent Valuer adopted the asset-based approach to assess the market value of the net assets of the Target Company as at the Valuation Benchmark Date. The asset-based approach refers to a valuation method that determines the value of the evaluated object by evaluating the value of various assets and liabilities both on and off the balance sheet based on the balance sheet of the evaluated unit on the Valuation Benchmark Date. Considering that during this valuation, the evaluated unit can provide and the Independent Valuer may also collect materials required for the asset-based approach externally and conduct comprehensive inspection and valuation of the assets and liabilities of the evaluated unit, the asset-based approach therefore applies to this valuation.

The Independent Valuer selected the asset-based approach because the Target Company's property rights documentation is clear, its financial records are complete, each of its assets and liabilities can be separately identified, the Target Company had provided the historical records of the assets and liabilities within the valuation scope together with its operating and financial information for prior years, and the Target Company is a going concern. In these circumstances, the asset-based approach reflects the fair value of the Target Company's individual assets and liabilities and provides a prudent and reliable basis for assessing its value as at the Valuation Benchmark Date.

Summary of valuation results under the asset-based approach

As at the Valuation Benchmark Date, the audited net asset value of the Target Company was approximately RMB42.3 million. Following audit reclassification adjustments, the adjusted book value of the net assets was approximately RMB63.5 million. The appraised value of the net assets under the asset-based approach is approximately RMB80.4 million, representing an appreciation of approximately RMB17.0 million, or 26.71%, over the adjusted book value.

A summary of the valuation results is as follows:

Item	Book Value	Adjusted Book Value	Appraised Value	Appreciation/ (Depreciation)	Appreciation/ (Depreciation) Rate
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*%*
	(A)	(B)	(C)	(D=C-B)	(E=D/Bx100)
Current assets	34,107.6	9,703.4	9,703.4	–	–
Non-current assets	149,548.1	195,736.6	212,691.7	16,955.1	8.66
Of which:					
– Fixed assets	1,736.9	161,634.3	188,681.3	27,047.0	16.73
– Construction in progress	2,196.8	2,196.8	2,196.8	–	–
– Long-term receivables	86,273.5	–	–	–	–
– Intangible assets	59,341.0	31,905.5	21,813.6	(10,091.9)	(31.63)
Total assets	183,655.6	205,440.0	222,395.1	16,955.1	8.25
Current liabilities	55,410.8	54,099.4	54,099.4	–	–
Non-current liabilities	85,982.9	87,871.3	87,871.3	–	–
Total liabilities	141,393.7	141,970.7	141,970.7	–	–
Net assets (shareholders' equity)	42,262.0	63,469.3	80,424.4	16,955.1	26.71

Note: Any discrepancies in totals are due to rounding.

In assessing the appraised value, the Independent Valuer reviewed, among other things, the historical financial information of the Target Company, the operating performance of the PPP Project, and the project return analysis referenced in the Termination Agreement.

Reconciliation of the book value, adjusted book value and appraised value of the Target Company's assets and liabilities

The book values in the Valuation Report were taken from the audited stand-alone financial information of the Target Company as at 31 December 2025. In applying the asset-based approach, the Independent Valuer verified the accounting records, supporting documents and physical assets within the valuation scope.

For this purpose, "adjusted book value" means the book value after the Independent Valuer's verification, reconciliation and reclassification adjustments. It is the starting point for the appraisal and is not itself an appraised value. Valuation appreciation or depreciation is the difference between the appraised value and the adjusted book value.

Item	Book value	Adjusted book value	Appraised value	Appreciation/ (depreciation)
	(RMB)	*(RMB) (A)*	*(RMB) (B)*	*(RMB) (B)-(A)*
Total assets	183,655,642.31	205,439,966.64	222,395,061.41	16,955,094.77
Total liabilities	141,393,678.12	141,970,651.19	141,970,651.19	–
Net assets	42,261,964.19	63,469,315.45	80,424,410.22	16,955,094.77

The increase of RMB21,207,351.26 from the book value of net assets to the adjusted book value principally reflected the re-presentation of PPP-related balances following the early termination of the PPP Project: PPP-related receivables and the concession right were removed, while the underlying buildings and structures, electronic equipment and land use right were restored for separate valuation. The subsequent net appreciation of RMB16,955,094.77 comprised appreciation of RMB27,047,007.56 in fixed assets, partly offset by depreciation of RMB10,091,912.79 in the land use right. Except for fixed assets and the land use right, the appraised values equalled the respective adjusted book values.

Fixed assets

The fixed assets had a book value of RMB1,736,859.26, comprising electronic equipment and one motor vehicle. The increase of RMB159,897,413.18 to the adjusted book value comprised the restoration of buildings and structures of RMB158,262,000.93, the restoration of PPP-related electronic equipment of RMB1,634,044.32 and the elimination of a negative reconciliation item of RMB1,367.93. These were reconciliation and reclassification adjustments and did not constitute valuation appreciation.

Category	Quantity/area	Adjusted book value	Appraised value	Appreciation
		(RMB)	*(RMB)*	*(RMB)*
Buildings and structures	58,362.89 sq.m.	158,262,000.93	182,698,700.00	24,436,699.07
Electronic equipment	134 pre-adjustment line items and 56 restored line items	3,351,903.28	5,837,580.00	2,485,676.72
Transportation equipment	One motor vehicle	20,368.23	145,000.00	124,631.77
Total	–	161,634,272.44	188,681,280.00	27,047,007.56

Valuation basis, methodology and key quantitative inputs

All fixed assets were appraised using the replacement cost method under the transaction, open market, asset continued-use and enterprise going-concern assumptions, using price standards as at 31 December 2025.

Appraised value = Full replacement cost x Comprehensive newness rate

For buildings and structures, full replacement cost comprised construction and installation costs, preliminary and other expenses and cost of capital, excluding deductible VAT input tax. Construction costs were determined by reference to similar buildings with applicable coefficient adjustments. Comprehensive newness rates reflected the age, structure, decoration, use, maintenance and physical condition of the relevant buildings and structures.

Building group	**Area** *(sq.m.)*	**Full replacement cost** *(RMB)*	**Newness rate**	**Appraised value** *(RMB)*
Original Buildings Nos. 1 to 3 (reinforced concrete; constructed in 2013)	10,812.57	47,129,500	82%	38,646,200
Other reinforced-concrete buildings and structures constructed in 2020	38,590.32	158,819,000	90%	142,937,000
Greenhouse (shed structure; constructed in 2020)	8,960.00	1,344,000	83%	1,115,500
Total	58,362.89	207,292,500	–	182,698,700

For electronic equipment, full replacement costs were determined through market enquiries and/or by applying price adjustment coefficients to the prices of the same or comparable assets. Item-specific newness rates were determined having regard to economic useful lives, actual ages, maintenance and operating condition. The motor vehicle was valued on the same basis, taking into account its use, maintenance and mileage.

Category	**Adjusted book value** *(RMB)*	**Full replacement cost** *(RMB)*	**Newness rate**	**Appraised value** *(RMB)*
Electronic equipment	3,351,903.28	10,558,744.00	Item-specific	5,837,580.00
Motor vehicle	20,368.23	263,600.00	55%	145,000.00

The appreciation of RMB27,047,007.56 in fixed assets therefore reflected the use of current replacement costs and the remaining economic utility and physical condition of the assets, rather than their historical cost less accounting depreciation. It comprised RMB24,436,699.07 for buildings and structures, RMB2,485,676.72 for electronic equipment and RMB124,631.77 for the motor vehicle.

As at the Valuation Benchmark Date, title transfer had not been completed for Original Buildings Nos. 1 to 3, which were acquired from the People's Government of Dama Town and remained registered in the name of Tongxiang Libing Chemical Fibre Textile Co., Ltd. (桐鄉力兵化纖紡織有限公司). These buildings were constructed in 2013, are of reinforced-concrete construction and have an aggregate gross floor area of 10,812.57 sq.m. Title certificates had also not been obtained for the power distribution room, Building No. 5, Building No. 7-B, Building No. 7, Zones A and B of Building No. 6, the basement and the greenhouse constructed in 2020. These buildings and structures have an aggregate gross floor area of 47,550.32 sq.m. and are of reinforced-concrete or shed construction.

The Independent Valuer assumed that the above buildings and structures were legally owned, had clear title and could be registered in accordance with applicable laws. On this basis, and under the continued-use and going-concern assumptions, they were appraised as having full title without any separate deduction for the outstanding title matters. If these matters cannot be resolved, the appraised values may be affected. The above buildings and structures have an aggregate gross floor area of 58,362.89 sq.m. and an aggregate appraised value of RMB182,698,700.

Further details of the fixed assets, including their categories, quantities, gross floor areas, structure types and the basis on which their replacement costs and comprehensive newness rates were determined are set out in Appendix II to this circular.

Other material assets and liabilities

The valuation basis and principal adjustments for the other material balance sheet line items were as follows:

Asset item	**Book/adjusted/ appraised value** *(RMB)*	**Valuation basis and reason**
Monetary funds	Book: 8,243,426.54 Adjusted: 8,243,426.54 Appraised: 8,243,426.54	Cash and bank balances were reconciled to the ledgers, bank statements and confirmations and appraised at the verified amount.
Trade receivables	Book: 15,276,828.92 Adjusted: 365,040.00 Appraised: 365,040.00	The PPP-related receivable of RMB14,911,788.92 was removed following termination of the PPP Project. The remaining non-PPP receivable was appraised at its verified amount.
Prepayments	Book: 95,413.66 Adjusted: 94,933.66 Appraised: 94,933.66	A prepaid elevator inspection fee of RMB480.00 was written off and transferred to expenses. The remaining balance was appraised at the amount of recoverable goods or services.
Other receivables	Book: 1,000,000.00 Adjusted: 1,000,000.00 Appraised: 1,000,000.00	The balance, being the PPP Project operating performance guarantee, was verified and appraised at its recoverable amount.

Asset item	Book/adjusted/ appraised value *(RMB)*	Valuation basis and reason
Non-current assets due within one year	Book: 9,491,903.48 Adjusted:– Appraised: –	The balance represented a PPP-related receivable and was removed following termination of the PPP Project.
Fixed assets	Book: 1,736,859.26 Adjusted: 161,634,272.44 Appraised: 188,681,280.00	See the section headed "Fixed assets" above.
Construction in progress	Book: 2,196,781.21 Adjusted: 2,196,781.21 Appraised: 2,196,781.21	The Huayou New Energy Experience Hall installation project had recently commenced and, as at the Valuation Benchmark Date, remained under construction and had not been transferred to fixed assets. The Independent Valuer reviewed the relevant contracts, project progress, payment vouchers and accounting records. As the costs had recently been incurred and no apparent impairment or abnormal cost overruns were identified, the verified book cost was considered to approximate the replacement cost as at the Valuation Benchmark Date. Accordingly, the verified book value of RMB2,196,781.21 was adopted as the appraised value.
Long-term receivables	Book: 86,273,460.75 Adjusted:– Appraised: –	The balance represented a PPP-related receivable and was removed following termination of the PPP Project.
Intangible assets/ land use right	Book: 59,340,968.49 Adjusted: 31,905,512.79 Appraised: 21,813,600.00	The PPP concession right was removed and the underlying allocated land use right (36,415.41 sq.m.; science and education use) was restored. Under the cost approximation method, the corrected benchmark land price was RMB427.16/sq.m. (land acquisition value: RMB15,555,207); after adding applicable taxes, fees, development costs, expenses, interest and profit, the reconstruction unit price was RMB599.02/sq.m., producing an appraised value of RMB21,813,600.00. The depreciation of RMB10,091,912.79 reflected the difference between the restored carrying amount and the current land valuation price.

Liability item	Book/adjusted/ appraised value *(RMB)*	Valuation basis and reason
Short-term borrowings	Book: 20,327,600.00 Adjusted: 20,327,600.00 Appraised: 20,327,600.00	The loan balance was verified against the supporting records and appraised at the actual obligation outstanding.
Payments received in advance	Book: 4,882,312.32 Adjusted: 3,900.00 Appraised: 3,900.00	The PPP-related amount of RMB4,878,412.32 was released to income on termination of the PPP Project. The remaining balance of RMB3,900.00 was appraised at the verified amount payable.
Employee benefits payable	Book: 569,857.50 Adjusted: 569,857.50 Appraised: 569,857.50	The amount payable for salaries and bonuses was verified and appraised at the actual obligation.
Taxes payable	Book: 1,805,430.85 Adjusted: 1,805,430.85 Appraised: 1,805,430.85	The tax balances were verified and appraised at the recorded obligation, subject to final assessment by the relevant tax authority.
Interest payable	Book: 145,798.00 Adjusted: 145,798.00 Appraised: 145,798.00	The accrued bank interest was verified and appraised at the actual obligation.
Other payables	Book: 27,679,788.91 Adjusted: 31,246,777.24 Appraised: 31,246,777.24	The net adjustment of RMB3,566,988.33 reflected construction-related reclassifications and settlements, principally the RMB10,449,275.89 reclassification associated with the restored buildings, partly offset by an over-accrued construction payment of RMB1,718,979.46 and releases or settlements of a RMB4,500,000 donation liability, RMB656,768.10 accrued interest, RMB6,300 union fees and a RMB240 tax item. The balance was verified against the underlying records and confirmations, and the adjusted book value was adopted as the appraised value.
Long-term borrowings	Book: 85,982,890.54 Adjusted: 87,871,287.60 Appraised: 87,871,287.60	Unrecognised financing costs of RMB1,888,397.06 previously netted against the loan were written back by reference to the bank confirmation, increasing the balance to the actual obligation outstanding of RMB87,871,287.60. The adjusted balance was adopted as the appraised value.

Key assumptions of the valuation

The following key assumptions were adopted in the preparation of the Valuation Report:

(1) It is assumed that the Target Company will continue to operate as a going concern in the foreseeable future, in line with its current business model and operational scale, and that its individual assets will continue to be used according to their current use and manner.

(2) It is assumed that there will be no material changes to the relevant national and local laws, regulations, systems, or social, political and macroeconomic policies in the PRC where the Target Company operates.

(3) It is assumed that there will be no material changes in the relevant bank credit interest rates, tax bases and tax rates, and policy-related charges in relation to the Target Company.

(4) It is assumed that the Target Company's professional and senior management personnel will remain relatively stable, with no significant loss of core personnel, and that its future production and operation management model and product structure will remain relatively stable.

(5) It is assumed that the Target Company's management is responsible and will steadily implement the Company's development plans, will comply with relevant national laws and regulations, and that there will be no major violations affecting the Target Company's development or the realisation of its income.

(6) It is assumed that the accounting policies and accounting methods adopted in the financial information provided by the Target Company over the years are substantially consistent in all material respects, and that all information provided by the Company and the Target Company, including financial, operational and legal title information, is true, accurate and complete.

(7) It is assumed that the Target Company will not be affected by any unforeseen events or force majeure that could have a material adverse impact on its business operations and value and its future production and operation, including any major safety liability accidents.

The Directors have reviewed the assumptions adopted by the Independent Valuer and have been advised that the key assumptions adopted therein are commonly used in valuing similar equity interests. No irregularities have been noted by the Directors in relation to the quantitative inputs in such valuation. Accordingly, the Directors (including the independent non-executive Directors) consider that the key assumptions, quantitative inputs and methodology adopted in the Valuation Report are fair and reasonable.

Further details of the valuation approach, methodology and assumptions are set out in the Valuation Report in Appendix II to this circular.

TERMINATION AGREEMENT

On 30 June 2026, the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company entered into the Termination Agreement in relation to the termination of the PPP Contract and the Implementation Agreement, which is conditional upon and to take effect on Completion.

Parties

(1) the Tongxiang City Education Bureau, being the project implementing agency authorised by the Tongxiang City People's Government for the PPP Project;

(2) the Target Company, being the project company established for the implementation of the PPP Project who has been responsible for the operation of the PPP Project;

(3) the Purchaser, being the government investment representative authorised by the Tongxiang City People's Government for the PPP Project; and

(4) the Company, being the social capital party* (社會資本方) who was successfully awarded the PPP Project, and had been responsible for construction, but without participation in the operation, of the PPP Project.

Termination of PPP Contract and Implementation Agreement

Pursuant to the Termination Agreement, upon the effective date of the Termination Agreement, the Implementation Agreement and the PPP Contract shall be voluntarily terminated. Upon the effective date of the Termination Agreement, the rights and obligations of the parties under the Implementation Agreement and the PPP Contract shall terminate.

Any other agreements or contracts in connection with the PPP Project shall be determined through negotiation between the Target Company after completion of the Equity Transfer and relevant party(ies) under the Termination Agreement.

The parties under the Termination Agreement agreed that they shall not pursue any compensation or liability for breach of contract against each other in respect of the termination of the Implementation Agreement and the PPP Contract, and any losses arising from such termination, if any, shall be handled in accordance with the Termination Agreement.

Equity Transfer and exit of the Company

Under the Termination Agreement, the Company agreed to transfer its 80% Equity Interest in the Target Company to the Purchaser, and the Purchaser agreed to acquire such Equity Interest from the Company. Upon Completion, the Target Company will be owned as to 100% by the Purchaser.

The Target Company shall continue to exist after the execution of the Termination Agreement. The Company will exit the Target Company by way of Equity Transfer, and such exit shall not affect the normal operation of the Target Company.

Handover and continuing obligations

The Company shall cooperate with the Purchaser in completing all procedures required for the Equity Transfer, including but not limited to business registration procedures relating to the Equity Interest, legal representative, directors, supervisors, general manager, articles of association and business licences of the Target Company, as well as tax registration procedures.

The Company shall also hand over to the personnel designated by the Purchaser all relevant documents and materials relating to the PPP Project, if any. The handover date shall be the date on which the Company and the Purchaser completed the handover, and the handover list is signed, sealed and confirmed by both parties.

The obligations of the Company such as quality warranty under the Engineering Construction Contract shall not be terminated as a result of the execution of the Termination Agreement.

Pursuant to the Termination Agreement, the parties agreed that upon the effective date of the Termination Agreement, the guarantee provided by the Company in respect of the fixed asset loan of RMB210 million obtained by the Target Company from the Tongxiang Branch of China Construction Bank* (中國建設銀行桐鄉市支行) shall be released, and the Company shall no longer assume the corresponding joint and several guarantee liability.

INFORMATION ON THE PURCHASER

The Purchaser, Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司), is a limited liability company established in the PRC and is owned as to 100.0% by Tongxiang Jinyuan Equity Investment Management Co., Ltd.* (桐鄉市金源股權投資管理有限公司). It is the government investment representative authorised by the Tongxiang City People's Government for the Tongxiang City Youth Quality Education Practice Base PPP Project, and currently holds 20% of the equity interest in the Target Company. Its principal business is investment, development and operation of education and cultural infrastructure projects in Tongxiang City.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save for the Purchaser being a connected person of the Company at the subsidiary level by virtue of its 20% equity interest in the Target Company, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE COMPANY

The Company is a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1459). The Group is principally engaged in construction contracting and design, survey and consultancy services for building construction projects.

INFORMATION ON THE TARGET COMPANY

The Target Company, Tongxiang City Youth Quality Education Practice Base Co., Ltd.* (桐鄉市青少年素質教育實踐基地有限責任公司), is a limited liability company established in the PRC in September 2015. Immediately prior to the date of the Equity Transfer Agreement, the Target Company is owned as to 80% by the Company and as to 20% by the Purchaser.

The Target Company is the project company implementing the Tongxiang City Youth Quality Education Practice Base PPP Project, a public-private partnership project for the investment, financing, construction, operation and management of a quality education practice base for youth situated in Haihua Village, Tongxiang City, Zhejiang Province, the PRC. The PPP Project was approved by the Tongxiang City People's Government pursuant to the Reply on Approving the Implementation Plan for the Tongxiang City Youth Quality Education Practice Base PPP Project (Tong Zheng Han [2018] No. 35) (《關於同意桐鄉市青少年素質教育實踐基地PPP項目實施方案的批復》(桐政函〔2018〕35號)). The Tongxiang City Education Bureau has been authorised by the Tongxiang City People's Government to act as the project implementing agency for the PPP Project, and the Purchaser is the government investment representative authorised by the Tongxiang City People's Government for the PPP Project.

Pursuant to the PPP Contract dated 7 December 2018, the Target Company was granted a concession period of 15 years to invest in, finance, construct, operate and maintain the practice base. The total project investment is approximately RMB263.09 million. Construction of the practice base was completed in February 2021, with trial operation commencing in July 2021 and formal operation in August 2021.

The PPP Project has a total land area of approximately 36,510.94 sq.m. and leased collective land of approximately 150 mu (equivalent to approximately 100,000 sq.m.). The total gross floor area is approximately 53,235.94 sq.m., comprising new buildings of approximately 41,368.59 sq.m. and renovated buildings of approximately 10,867.35 sq.m. The PPP Project involves renovation of buildings including the administrative complex building and themed education halls, and construction of practice base buildings including swimming pool, dormitory and canteen facilities.

Set out below is certain audited financial information of the Target Company for the two financial years ended 31 December 2024 and 31 December 2025, respectively:

	For the year ended 31 December	
	2025	2024
	(audited)	(audited)
	RMB'000	*RMB'000*
Revenue	**27,875**	26,434
Profit before taxation	**3,886**	406
Profit after taxation	**2,910**	311

	As at 31 December	
	2025	2024
	(audited)	(audited)
	RMB'000	*RMB'000*
Net asset value	**42,262**	39,352

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in construction contracting and design, survey and consultancy services for building construction projects. The Target Company's PPP Project lies outside the Group's core business segments and was originally entered into in 2018 to diversify the Group's business and to gain experience in the PPP sector.

Having considered (i) the historical financial performance of the Target Company; (ii) the long-term capital commitments and ongoing operating cost requirements of the PPP Project; (iii) the projected return on the PPP Project as estimated in the project return analysis referred to in the related termination arrangements; (iv) the existence of the Share Charge over the Equity Interest in favour of the Bank and the associated repayment obligations of the Group; and (v) the favourable terms of the Disposal as compared with the appraised value of the Equity Interest, the Board considers that the Disposal represents an opportunity for the Group to:

(1) realise its investment in the Target Company at or close to its appraised value;

(2) discharge in full the indebtedness secured by the Share Charge, thereby releasing the Equity Interest from encumbrance and improving the Group's gearing position;

(3) recycle capital toward the Group's core construction contracting business and ancillary services, including replenishment of working capital; and

(4) reduce the Group's exposure to the operational and financing risks of a long-tenor PPP arrangement that lies outside its principal business focus.

Based on the above, the Board considers that the terms of the Equity Transfer Agreement (including the Consideration), the Termination Agreement and the Disposal are on normal commercial terms and are fair and reasonable, and the entering into of the Equity Transfer Agreement and the Termination Agreement is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Upon Completion, the Company will cease to hold any equity interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company. The financial results, assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Earnings

The Group is expected to record a gain on the Disposal of approximately RMB29.7 million (equivalent to approximately HK$34.2 million) (before taxation), which is calculated based on the difference between (i) the Consideration of approximately RMB66.3 million; and (ii) the portion of the audited net asset value of the Target Company as at 31 December 2025 attributable to the 80% Equity Interest being disposed of, being approximately RMB33.8 million, after deduction of estimated expenses incidental to the Disposal of approximately RMB2.8 million. The actual amount of the gain on the Disposal to be recorded by the Group will be subject to the review and final audit by the auditor of the Company, and may therefore be different from the amount mentioned above.

For the year ended 31 December 2025, the Target Company recorded revenue of approximately RMB27.9 million and profit after taxation of approximately RMB2.9 million. Upon Completion, the future financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group. Accordingly, the Disposal is expected to result in a one-off gain in the year in which Completion takes place, while the Group will no longer consolidate the future revenue, and profit or loss of the Target Company after Completion.

Assets and liabilities

For illustrative purposes only, based on the audited financial information of the Target Company as at 31 December 2025 and assuming Completion had taken place on that date, the Target Company had total assets of approximately RMB183.7 million, total liabilities of approximately RMB141.4 million and net assets of approximately RMB42.3 million. Upon Completion, the total assets and total liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Pursuant to the Termination Agreement, the guarantee provided by the Company in respect of the fixed asset loan of RMB210 million obtained by the Target Company from the Tongxiang Branch of China Construction Bank* (中國建設銀行桐鄉市支行) shall be released with effect from the effective date of the Termination Agreement (i.e. 30 June 2026), following which Company shall no longer assume the corresponding joint and several guarantee liability.

Excess of consideration over net book value

The Consideration of approximately RMB66.3 million represents an excess of approximately RMB32.5 million over the audited net asset value of the Target Company as at 31 December 2025 attributable to the 80% Equity Interest, being approximately RMB33.8 million, before deduction of estimated expenses incidental to the Disposal. After deducting such estimated expenses of approximately RMB2.8 million, the excess is expected to be approximately RMB29.7 million before taxation.

Use of Proceeds

The expected net proceeds from the Disposal (after deducting relevant expenses incidental to the Disposal) of approximately RMB63.5 million (equivalent to approximately HK$73.1 million) are intended to be applied as follows: (i) approximately RMB35.5 million (being the Settlement Sum) for the discharge of the indebtedness owing by the Company to the Bank that is secured by the Share Charge; and (ii) the remaining balance for general working capital of the Group.

LISTING RULES IMPLICATIONS

Immediately prior to Completion, the Target Company is owned as to 80% by the Company and as to 20% by the Purchaser. The Purchaser is therefore a substantial shareholder, and accordingly a connected person, of the Company at the subsidiary level under Chapter 14A of the Listing Rules. The Disposal therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that (i) the Purchaser is a connected person of the Company at the subsidiary level only; (ii) the Board (none of whom has a material interest in the Disposal and was required to abstain from voting on the relevant Board resolutions) has approved the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement, the Termination Agreement and the Disposal are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements only, but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but all are less than 75%, the Disposal also constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the Equity Transfer Agreement, the Termination Agreement, the Disposal or the transactions contemplated thereunder, and no Director was required to abstain from voting on the relevant resolutions of the Board.

WRITTEN SHAREHOLDERS' APPROVAL

Under Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the transaction; and (ii) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder or any of their respective associates has any material interest in the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder, and accordingly no Shareholder would be required to abstain from voting on the resolution(s) approving the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder if the Company were to convene a general meeting of the Shareholders.

As at the Latest Practicable Date, Jujiang Holdings and Jujiang Equity Investment are holding 204,000,000 Domestic Shares and 196,000,000 Domestic Shares respectively, representing in aggregate 400,000,000 Domestic Shares, or approximately 75.00% of the total number of Shares in issue. The Directors are of the view that Jujiang Holdings and Jujiang Equity Investment constitute a closely allied group of Shareholders for the purposes of Rules 14.44 and 14.45 of the Listing Rules, having regard to the following factors:

(1) the Closely Allied Group comprises two corporate Shareholders, namely Jujiang Holdings (holding 204,000,000 Domestic Shares, approximately 38.25%) and Jujiang Equity Investment (holding 196,000,000 Domestic Shares, approximately 36.75%). The Directors consider that a group comprising two long-standing corporate Shareholders is not large or dispersed;

(2) each of Mr. Lyu Yaoneng, Jujiang Holdings and Jujiang Equity Investment has been and remains a Controlling Shareholder of the Company within the meaning of the Listing Rules since the Listing. The Directors consider that Jujiang Holdings and Jujiang Equity Investment have a long-standing, stable and coordinated shareholder relationship. Jujiang Holdings was incorporated on 18 August 2011 and Jujiang Equity Investment was incorporated on 19 August 2011. Shortly thereafter, they became the shareholders of the predecessor of the Company in a 51%/49% shareholding structure, which was maintained after the demerger of the predecessor of the Company. Jujiang Holdings and Jujiang Equity Investment have also held interests in certain related entities in the same 51%/49% shareholding structure in a number of subsidiaries of the Company since then;

(3) each of Jujiang Holdings and Jujiang Equity Investment has been a Shareholder of the Company, or its predecessor, since August 2011. Their shareholding relationship has remained stable through the demerger of the predecessor of the Company in 2011, the pro rata capital increases of the predecessor of the Company in 2012 and 2013, the conversion of the predecessor of the Company into a joint stock limited liability company in 2014, and since the Listing; and

(4) Jujiang Holdings and Jujiang Equity Investment have voted in the same way on all Shareholders' resolutions of the Company (whether routine or non-routine), save where any of them was required to abstain from voting.

The Company had obtained written Shareholders' approval for the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder from the Closely Allied Group, namely Jujiang Holdings and Jujiang Equity Investment, holding in aggregate 400,000,000 Domestic Shares and representing approximately 75.00% of the total number of Shares in issue as at the Latest Practicable Date, in lieu of convening an extraordinary general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened for the approval of the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder.

RECOMMENDATION

The Directors (including all the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder are fair and reasonable, and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Although a general meeting will not be convened by the Company to approve the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder, if such a general meeting were to be convened by the Company, the Board would have recommended the Shareholders to vote in favour of the resolutions to approve the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

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

Yours faithfully
By order of the Board
Jujiang Construction Group Co., Ltd.
Mr. Lyu Yaoneng
Chairman

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.jujiang.cn):

(i) annual report of the Company for the year ended 31 December 2023 (pages 64-154) (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042400488.pdf)

(ii) annual report of the Company for the year ended 31 December 2024 (pages 64-156) (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042300249.pdf)

(iii) annual report of the Company for the year ended 31 December 2025 (pages 67-156) (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0430/2026043003756.pdf)

2. STATEMENT OF INDEBTEDNESS

Indebtedness Statement

As at the close of business on 31 July 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

(a) Borrowings and charge on assets

As at 31 July 2026, the Group had outstanding consolidated total borrowings of approximately RMB437.6 million, comprising secured and guaranteed bank borrowings of approximately RMB341.0 million, unsecured and guaranteed bank borrowing of approximately RMB85.0 million, and unsecured and unguaranteed bank borrowings of approximately RMB11.6 million.

As at 31 July 2026, certain general banking facilities were secured by the buildings held by the Group with a carrying amount of approximately RMB125.6 million.

As at 31 July 2026, the Group's interest-bearing bank and other borrowings of approximately RMB421.0 million were jointly guaranteed by the controlling shareholder and other related parties of the Group at no cost.

(b) Lease liabilities

The Group had lease liabilities of approximately RMB4.9 million for various offices.

Pursuant to the Termination Agreement, upon the effective date of the Termination Agreement, the guarantee provided by the Company in respect of the fixed asset loan of RMB210 million obtained by the Target Company from the Tongxiang Branch of China Construction Bank* (中國建設銀行桐鄉市支行) shall be released with effect from the effective date of the Termination Agreement (i.e. 30 June 2026), following which Company shall no longer assume the corresponding joint and several guarantee liability.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade payables and other payables in the ordinary course of business, at the close of business on 31 July 2026, any debt securities issued or outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, hire purchase commitments, mortgages or charges, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statement of the Group were made up.

4. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after due and careful enquiry and taking into account (i) the financial resources presently available to the Group, including internally resources and available banking facilities; (ii) the estimated net proceeds from the Disposal; (iii) the intended application of the Settlement Sum to discharge the indebtedness secured by the Share Charge; and (iv) the effect of the Disposal, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

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

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in construction contracting and design, survey and consultancy services for building construction projects. The Group's construction contracting segment provides construction services covering residential properties, commercial buildings, industrial properties and public facilities, while the Group's other segment is engaged in provision of design, surveying, training and consulting services relating to construction contracting in architecture and sale of civil defence products.

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB4,336.9 million and loss for the year of approximately RMB46.2 million. As at 31 December 2025, the Group recorded total equity of approximately RMB1,587.7 million and a gearing ratio of approximately 8.7%.

The PRC construction industry continued to undergo structural adjustment during the first half of 2026. The Group has continued to strengthen its project management, business development, cost control and risk management, and has sought to optimise its project mix by focusing on industrial projects, public construction projects and other areas less directly affected by the traditional residential property cycle. The Group will continue to maintain prudent financial management, reinforce its core construction contracting business and ancillary services, and seek to enhance operating efficiency.

The Target Company's PPP Project lies outside the Group's core business segments and involves a long-tenor PPP arrangement. The Directors consider that the Disposal allows the Group to realise its investment at or close to its appraised value, discharge the indebtedness secured by the Share Charge and reduce exposure to operational and financing risks associated with the PPP Project. Following Completion, the Group will be able to focus management and financial resources on its core construction contracting business and ancillary services. The Directors believe that the Disposal will improve the Group's financial flexibility and is consistent with the Group's strategy to focus on its principal businesses.

The following is a summary of the valuation report dated 25 June 2026 prepared by the Independent Valuer in connection with its valuation of Target Company as at 31 December 2025 for the purpose of, among others, inclusion in this circular.

RE: Jujiang Construction Group Co., Ltd.
Asset Valuation Report on the Net Assets of
Tongxiang City Youth Quality Education Practice Base Co., Ltd.
Proposed for Reference
Qiuzhen Zi Ping [2026] No. 063

SUMMARY

Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.* (嘉興求真房地產資產評估有限公司) (the "Company") has been engaged by Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) to assess the market value of the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (桐鄉市青少年素質教育實踐基地有限責任公司) as at the Valuation Benchmark Date, in accordance with the provisions of laws, administrative regulations, and asset valuation standards, while adhering to the principles of independence, objectivity, and fairness, and following the necessary valuation procedures. The summary of the valuation report is set out as follows:

I. Purpose of Valuation: Jujiang Construction Group Co., Ltd. intends to understand the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd., and to appraise the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (excluding intangible assets that are not identifiable) involved in such economic activity to determine their market value as at the Valuation Benchmark Date of 31 December 2025, thereby providing a value reference for the aforementioned economic activity.

II. Valuation Object and Scope of Valuation: In accordance with the purpose of this valuation, the valuation object is the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (excluding intangible assets that are not identifiable), and the valuation scope covers all assets and relevant liabilities of the entity as audited on the Valuation Benchmark Date.

III. Valuation Benchmark Date: 31 December 2025.

IV. Type of Value: Market value.

V. Valuation Method: Asset-based approach.

VI. Valuation Conclusion: Based on the specific circumstances of this project, using the asset-based approach under the going concern assumption, the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. as at the Valuation Benchmark Date are RMB80,424,410.22 (in words: Renminbi eighty million, four hundred and twenty-four thousand, four hundred and ten dollars and twenty-two cents).

The book value of the total assets is RMB183,655,642.31, with an adjusted book value of RMB205,439,966.64, an appraised value of RMB222,395,061.41, and an appreciation of RMB16,955,094.77.

The book value of the total liabilities is RMB141,393,678.12, with an adjusted book value of RMB141,970,651.19, an appraised value of RMB141,970,651.19, and an appreciation of RMB0.00.

The book value of the net assets is RMB42,261,964.19, with an adjusted book value of RMB63,469,315.45, an appraised value of RMB80,424,410.22, and an appreciation of RMB16,955,094.77.

SUMMARY TABLE OF ASSET VALUATION RESULTS

Valuation Benchmark Date: 31 December 2025

Item		Book Value	Adjusted Book Value	Appraised Value	Appreciation/ (Depreciation)	Appreciation Rate %
		A	B	C	D=C-B	E=D/B×100
1.	Monetary funds	8,243,426.54	8,243,426.54	8,243,426.54		
2.	Trade receivables	15,276,828.92	365,040.00	365,040.00		
3.	Prepayments	95,413.66	94,933.66	94,933.66		
4.	Other receivables	1,000,000.00	1,000,000.00	1,000,000.00		
5.	Non-current assets due within one year	9,491,903.48	0.00	0.00		
6.	Total Current Assets	34,107,572.60	9,703,400.20	9,703,400.20		
7.	Fixed assets	1,736,859.26	161,634,272.44	188,681,280.00	27,047,007.56	16.73
8.	Construction in progress	2,196,781.21	2,196,781.21	2,196,781.21		
9.	Long-term receivables	86,273,460.75	0.00	0.00		
10.	Intangible assets	59,340,968.49	31,905,512.79	21,813,600.00	-10,091,912.79	-31.63
11.	Total Non-Current Assets	149,548,069.71	195,736,566.44	212,691,661.21	16,955,094.77	8.66
12.	Total Assets	183,655,642.31	205,439,966.64	222,395,061.41	16,955,094.77	8.25
13.	Short-term borrowings	20,327,600.00	20,327,600.00	20,327,600.00		
14.	Payments received in advance	4,882,312.32	3,900.00	3,900.00		
15.	Employee benefits payable	569,857.50	569,857.50	569,857.50		
16.	Taxes payable	1,805,430.85	1,805,430.85	1,805,430.85		
17.	Interest payable	145,798.00	145,798.00	145,798.00		
18.	Other payables	27,679,788.91	31,246,777.24	31,246,777.24		
19.	Total Current Liabilities	55,410,787.58	54,099,363.59	54,099,363.59		
20.	Long-term borrowinngs	85,982,890.54	87,871,287.60	87,871,287.60		
21.	Total Non-Current Liabilities	85,982,890.54	87,871,287.60	87,871,287.60		
22.	Total Liabilities	141,393,678.12	141,970,651.19	141,970,651.19		
23.	Net Assets	42,261,964.19	63,469,315.45	80,424,410.22	16,955,094.77	26.71

This asset valuation report is intended solely to provide a value reference for the economic activity described in this asset valuation report. The valuation conclusion is valid for one year from the Valuation Benchmark Date, i.e., effective from the Valuation Benchmark Date to 30 December 2026.

VII. Explanation of Special Matters:

Matters discovered during the valuation process that may affect the valuation conclusion but are beyond the professional level and capabilities of the valuers are as follows:

1. Due to the limitations of objective conditions, this report may not fully reflect cases where bad debts exist or where payments are not required in respect of receivables and payables.

2. Deferred tax assets and liabilities have not been recognised in this report.

3. Taxes payable are subject to the final assessment by the tax authorities.

4. The book data for this valuation was based on the stand-alone report audited by Ernst & Young Hua Ming LLP (Special General Partnership).

5. The original No. 1 plant building, No. 2 plant building and No. 3 plant building within the scope of this valuation were properties acquired from Dama Town People's Government. The original property owner was Tongxiang Libing Chemical Fibre Textile Co., Ltd.* (桐鄉力兵化纖紡織有限公司), and the ownership transfer registration had not been completed as at the valuation date. The total gross floor area of the No. 1 to No. 3 plant buildings amounted to 10,812.57 sq.m. They are steel-concrete structures constructed in 2013. For the purpose of this valuation, it is assumed that the above-mentioned buildings are lawful, have clear ownership and are capable of undergoing the relevant ownership registration procedures in accordance with applicable laws. The valuation was conducted on the basis of full ownership rights, assuming the continued use of the assets and the continued operation of the enterprise. No separate impairment adjustment has been made in respect of the above ownership defects. If the above ownership matters cannot ultimately be rectified, the valuation conclusion may be affected. Users of the valuation report should pay attention to this matter.

6. The electricity room, No. 5 building, No. 7-B building, No. 7 building, Zone A of No. 6 building, Zone B of No. 6 building, basement, greenhouse facilities and other properties within the scope of this valuation are newly constructed plant buildings. As at the valuation date, the relevant property ownership certificates had not been obtained. The total gross floor area of the factory buildings amounted to 47,550.32 sq.m. They comprise steel-concrete structures and shed structures and were constructed in 2020. For the purpose of this valuation, it is assumed that the above-mentioned buildings are lawful, have clear ownership and are capable of undergoing the relevant ownership registration procedures in accordance with applicable laws. The valuation

was conducted on the basis of full ownership rights, assuming the continued use of the assets and the continued operation of the enterprise. No separate impairment adjustment has been made in respect of the above ownership defects. If the above ownership matters cannot ultimately be rectified, the valuation conclusion may be affected. Users of the valuation report should pay attention to this matter.

7. The total gross floor area of the above-mentioned buildings amounted to 58,362.89 sq.m., with an aggregate appraised value of RMB182,698,700.

Date of the Asset Valuation Report: 25 June 2026.

The above content is an excerpt from the text of the asset valuation report. To fully understand the valuation project, one should carefully read the full text of the asset valuation report and pay attention to the impact of special matters on the value of assets.

Jujiang Construction Group Co., Ltd.
Asset Valuation Report on the Net Assets of
Tongxiang City Youth Quality Education Practice Base Co., Ltd.
Proposed for Reference
Qiuzhen Zi Ping [2026] No. 063

To: Jujiang Construction Group Co., Ltd.

Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.* (嘉興求真房地產資產評估有限公司) (the "Company") has been engaged by Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) to assess the market value of the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. as at the Valuation Benchmark Date, in accordance with the provisions of laws, administrative regulations, and asset valuation standards, while adhering to the principles of independence, objectivity, and fairness, and following the necessary valuation procedures. The details and valuation results of the asset valuation are reported as follows:

I. THE CLIENT, APPRAISED ENTITY, AND OTHER USERS OF THE ASSET VALUATION REPORT

(1) Overview of the Client:

Entity Name:	Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司)
Company Type:	Joint stock limited company (invested by Hong Kong, Macao, Taiwan; listed)
Address:	Building 1, No. 669 Qingfeng South Road (South), Tongxiang City, Zhejiang Province
Date of Establishment:	17 April 2001
Unified Social Credit Code:	91330400146841507E
Legal Representative:	Mr. Lyu Yaoneng
Registered Capital:	RMB533.36 million
Business Scope:	General contracting for construction; general contracting for engineering; project management; development and consultancy of construction engineering technology; leasing and installation of machinery and equipment; assembly and installation of steel structure components; wholesale and retail of construction materials; engineering management services and survey and design; investment and construction of infrastructure; construction and maintenance of municipal public works, sports facility works, and landscaping works; pipeline dredging; installation and sale of traffic facilities. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments.)

(2) Overview of the Appraised Entity:

Entity Name: Tongxiang City Youth Quality Education Practice Base Co., Ltd. (桐鄉市青少年素質教育實踐基地有限責任公司)
Company Type: Other limited liability company
Address: East of Baqiaotou, Haihua Village, Dama Town, Tongxiang City, Jiaxing City, Zhejiang Province
Date of Establishment: 30 September 2015
Unified Social Credit Code: 91330483MA28A03443
Legal Representative: Yu Guoxing
Registered Capital: RMB60 million
Business Scope: Investment, development, construction, and management of the Tongxiang City Youth Quality Education Practice Base; education consultancy, investment consultancy; outward bound training; organization and planning of cultural, artistic, and sports activities. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments.)

(3) Financial Statements of the Appraised Entity as at the Valuation Benchmark Date (Audited) and for the Preceding Two Years (Audited):

Unit of amount: RMB

Item	**31 December 2023**	**31 December 2024**	**31 December 2025**
Total assets	209,666,664.36	183,357,755.47	183,655,642.31
Total liabilities	170,002,906.83	144,005,350.68	141,393,678.12
Owners' equity	39,663,757.53	39,352,404.80	42,261,964.19
Item	**January to December 2023**	**January to December 2024**	**January to December 2025**
Operating revenue	24,995,982.97	26,434,263.62	27,874,792.54
Total profit	3,108,551.06	406,171.90	3,885,977.72
Net profit	2,334,034.03	311,352.73	2,909,559.39

(4) Other Users of the Asset Valuation Report:

This valuation report is intended solely for the use of the client and users of the valuation report as stipulated by laws and administrative regulations. Other users of the asset valuation report are entities closely related to the economic activity corresponding to the purpose of valuation stated in this report, specifically the competent tax authorities. Except as otherwise provided by national laws and regulations, no institution or individual not confirmed by the valuation institution and the client may become a user of the valuation report upon obtaining it.

II. PURPOSE OF VALUATION:

Jujiang Construction Group Co., Ltd. intends to understand the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd., and to appraise the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (excluding intangible assets that are not identifiable) involved in such economic activity to determine their market value as at the Valuation Benchmark Date of 31 December 2025, thereby providing a value reference for the aforementioned economic activity.

III. TYPE OF VALUE AND DEFINITION:

In accordance with the purpose of this valuation, the type of value is determined to be market value, which refers to the estimated value of the valuation object in a normal fair transaction on the Valuation Benchmark Date between a willing buyer and a willing seller, each acting rationally and without any compulsion.

IV. VALUATION OBJECT AND SCOPE OF VALUATION

(I) Valuation Object

The valuation object is the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (excluding intangible assets that are not identifiable).

(II) Scope of Valuation

The scope of valuation covers all assets and relevant liabilities of Tongxiang City Youth Quality Education Practice Base Co., Ltd. as audited on the Valuation Benchmark Date.

Based on this valuation, the total assets amounted to RMB183,655,642.31 with current assets of RMB34,107,572.60 and non-current assets of RMB149,548,069.71; total liabilities amounted to RMB141,393,678.12, with current liabilities of RMB55,410,787.58 and non-current liabilities of RMB85,982,890.54; and net assets amounted to RMB42,261,964.19.

Details are set out in the table below:

Asset and Liability Position as at 31 December 2025

Unit of amount: RMB

Assets	Line Item	Closing Balance	Liabilities and Owners' Equity (or Shareholders' Equity)	Line Item	Closing Balance
Current Assets:			**Current Liabilities:**		
Monetary funds	1	8,243,426.54	Short-term borrowings	31	20,327,600.00
Short-term investments	2		Bills payable	32	
Bills receivable	3		Accounts payable	33	
Accounts payable	4	15,276,828.92	Payments received in advance	34	4,882,312.32
Prepayments	5	95,413.66	Staff remuneration payable	35	569,857.50
Dividends receivable	6		Taxes payable	36	1,805,430.85
Interest receivable	7		Interest payable	37	145,798.00
Other receivables	8	1,000,000.00	Profit payable	38	
Inventories	9		Other payables	39	27,679,788.91
Of which: Raw materials	10		Other current liabilities	40	
Work in progress	11		Total Current Liabilities	41	55,410,787.58
Stock goods	**12**		**Non-current Liabilities:**		
Turnover materials	13		Long-term borrowings	42	85,982,890.54
Non-current assets due within one year	14	9,491,903.48	Long-term payables	43	
Total current assets	15	34,107,572.60	Deferred income	44	
Non-current Assets:			Other non-current liabilities	45	
Long-term bond investments	16		Total non-current liabilities	46	85,982,890.54
Long-term equity investments	17		Total Liabilities	47	141,393,678.12
Original cost of fixed assets	18	5,048,845.51			
Less: Accumulated depreciation	19	3,311,986.25			
Carrying value of fixed assets	20	1,736,859.26			
Construction in progress	21	2,196,781.21			
Construction materials	22				
Disposal of fixed assets	23				
Long-term receivables	24	86,273,460.75	Owners' Equity (or Shareholders' Equity):		
Intangible assets	25	59,340,968.49	Paid-in capital (or share capital)	48	60,000,000.00
Development expenditure	26		Capital reserve	49	
Long-term deferred expenses	27		Surplus reserve	50	
Other non-current assets	28		Undistributed profits	51	-17,738,035.81
Total Non-current Assets	29	149,548,069.71	Total Owners' Equity (or Shareholders' Equity)	52	42,261,964.19
Total Assets	30	183,655,642.31	Total Liabilities and Owners' Equity	53	183,655,642.31

The scope of the above valuation is consistent with the scope of the commissioned valuation and the scope of assets declared for valuation by the entity being valued.

① In this valuation, the total assets amount to RMB183,655,642.31, comprising:

1. Current assets with a book value of RMB34,107,572.60, mainly including monetary funds, trade receivables, prepayments, other receivables, and non-current assets due within one year.

2. Fixed assets with an original book value of RMB5,048,845.51 and a net book value of RMB1,736,859.26, consisting of electronic equipment and transportation equipment. Specifically: there are 134 items of electronic equipment, such as air conditioners and computers; and 1 motor vehicle, being a Honda Odyssey. As at the Valuation Benchmark Date, the physical assets are in normal use.

3. Intangible assets with a book value of RMB59,340,968.49, representing the concession rights of the PPP project.

② In this valuation, the total liabilities amount to RMB141,393,678.12, comprising:

1. Current liabilities of RMB55,410,787.58, mainly including short-term loans, payments received in advance, staff remuneration payable, taxes payable, interest payable, other payables, and long-term borrowings.

2. Non-current liabilities of RMB85,982,890.54.

③ Based on this valuation, the net assets amount to RMB42,261,964.19.

(III) Distribution of Tangible Assets

The tangible assets within the scope of this valuation are concentrated in Tongxiang City Youth Quality Education Practice Base Co., Ltd. The tangible assets submitted for valuation by Jujiang Construction Group Co., Ltd. in this instance mainly comprise: fixed assets.

Fixed assets mainly consist of electronic equipment and transportation equipment. Specifically: there are 134 items of electronic equipment, such as air conditioners and computers; and 1 motor vehicle, being a Honda Odyssey. As at the Valuation Benchmark Date, the tangible assets are in normal use.

(IV) Intangible Assets Declared by the Appraised Entity

The intangible assets declared by Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) for this valuation are the concession rights of the PPP project.

(V) Off-balance Sheet Assets Declared by the Enterprise

Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) has not declared any off-balance sheet assets for this valuation.

(VI) Asset Types, Quantities, and Book Values (or Appraised Values) Involving Reliance on Conclusions of Reports Issued by Other Institutions

The book values used in this valuation are based on the stand-alone report audited by Ernst & Young Hua Ming LLP (Special General Partnership).

V. VALUATION BENCHMARK DATE

(I) The valuation benchmark date of this asset valuation report is 31 December 2025.

(II) This valuation benchmark date was determined by the client.

(III) The valuation benchmark date of this asset valuation report is consistent with the valuation benchmark date agreed upon in the asset valuation engagement contract.

(IV) The determination of the valuation benchmark date has an impact on the valuation results that is in line with conventional circumstances, and there are no special influencing factors. The pricing standards used for this valuation are the price standards effective as at the Valuation Benchmark Date.

VI. BASIS OF VALUATION

1. Legal and Regulatory Basis:
   (1) Asset Valuation Law of the People's Republic of China;
   (2) Civil Code of the People's Republic of China;
   (3) Company Law of the People's Republic of China;
   (4) Law of the People's Republic of China on Land Administration;
   (5) Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (Decree No. 65 of the Ministry of Finance and the State Administration of Taxation);
   (6) Notice on Full Implementation of the Pilot Scheme on Switching from Business Tax to Value Added Tax (Cai Shui [2016] No. 36);
   (7) Enterprise Income Tax Law of the People's Republic of China.

2. Standards Basis:
   (1) Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
   (2) Asset Valuation Practice Standards – Asset Valuation Engagement Contracts (Zhong Ping Xie [2017] No. 33);
   (3) Asset Valuation Practice Standards – Intangible Assets (Zhong Ping Xie [2017] No. 37);
   (4) Asset Valuation Practice Standards – Real Estate (Zhong Ping Xie [2017] No. 38);

(5) Asset Valuation Practice Standards – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
(6) Basic Standards for Asset Valuation (Cai Zi [2017] No. 43);
(7) Asset Valuation Practice Standards – Asset Valuation Reports (Zhong Ping Xie [2018] No. 35);
(8) Asset Valuation Practice Standards – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
(9) Asset Valuation Practice Standards – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
(10) Asset Valuation Practice Standards – Enterprise Value (Zhong Ping Xie [2018] No. 38);
(11) Asset Valuation Practice Standards – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35).

3. Guidelines and Guiding Opinions:
(1) Guidelines for Business Quality Control of Asset Valuation Institutions (Zhong Ping Xie [2017] No. 46);
(2) Guiding Opinions on Asset Valuation Value Types (Zhong Ping Xie [2017] No. 47);
(3) Guiding Opinions on Legal Ownership of Valuation Objects (Zhong Ping Xie [2017] No. 48).

4. Others:
(1) Accounting Standards for Business Enterprises – Basic Standard (Decree of the Ministry of Finance No. 33).

5. Basis of Property Rights:
(1) Copies of real estate title certificates, etc.;
(2) Other relevant property rights certificates.

6. Basis of Pricing:
(1) Records of on-site inspection and verification conducted by valuers on the valuation objects;
(2) Financial and accounting data provided by your Company;
(3) Market trends in the real estate market of Tongxiang City;
(4) Notice of the Tongxiang Municipal People's Government on Announcing the Results of the Benchmark Land Price Update in Tongxiang City;
(5) Relevant price information such as Zhejiang Cost Information and Jiaxing Construction Project Management information.

7. Basis of Economic Activity:
(1) Asset valuation engagement contract.

VII. VALUATION METHOD

In accordance with the Basic Standards for Asset Valuation, there are three basic valuation methods: the market approach, the income approach, and the asset-based approach.

The market approach refers to a valuation method that determines the value of the valuation object by comparing it with comparable listed companies or comparable transaction cases.

The income approach refers to a valuation method that determines the value of the valuation object by capitalising or discounting expected earnings.

The asset-based approach refers to a valuation method that determines the value of the valuation object by reasonably assessing the values of all on-balance sheet and off-balance sheet assets and liabilities of the appraised entity as at the Valuation Benchmark Date, based on its balance sheet.

(I) Selection of Valuation Method

Reasons for not adopting the market approach: Given that the marketisation and information transparency of the PRC property rights trading market are not yet mature, and there is a lack of market transaction cases and reference data for entities in the same industry as Tongxiang City Youth Quality Education Practice Base Co., Ltd. with similar scale and sufficient comparability, it is considered inappropriate to adopt the market approach for this valuation.

Reasons for not adopting the income approach: Due to the unstable historical earnings of Tongxiang City Youth Quality Education Practice Base Co., Ltd. and the inability to accurately forecast future earnings, it is considered inappropriate to adopt the income approach for this valuation.

Reasons for adopting the asset-based approach: Given that the property rights documentation of the appraised entity is clear and the financial data is complete, all assets and liabilities can be identified. Historical data of assets and liabilities within the valuation scope, as well as operating and financial data for historical years, have been provided, and the appraised entity is a going concern, it is appropriate to adopt the asset-based approach for this valuation.

(II) Specific Valuation Method: Asset-based approach.

The asset-based approach in business valuation refers to a valuation method that, based on the balance sheet of the entity being valued as at the Valuation Benchmark Date, assesses the value of all assets and liabilities–both those included in the balance sheet and identifiable off-balance-sheet items–to determine the value of the subject of the valuation.

When using the asset-based approach to assess enterprise value, the value of each asset should be determined using an appropriate valuation method selected on a case-by-case basis. The valuation method chosen may differ from that used when the asset is assessed as a standalone asset; consideration should be given to its contribution to the enterprise's value.

Calculation formula: Net assets = (Appraised value of assets – Appraised value of liabilities).

Specific valuation methods are as follows: Asset-based approach.

1. Current assets: For the purposes of this valuation, these are categorised as follows, with different valuation methods applied to each category:

   (1) Monetary current assets: Representing cash on hand and bank deposits, all in RMB. The appraised value is determined based on the verified amounts through inspections of cash, bank statements, and bank confirmations.

   (2) Receivable and prepayment current assets: Including account receivables, prepayments, and other receivables. The appraised value is primarily determined by estimating potential bad debt losses based on the verification of their book balances; for prepayments, the appraised value is determined based on the goods or services recoverable or the assets or rights formed.

2. Non-current Assets

   (1) Buildings and structures (constructions): The replacement cost method is adopted for valuation:

   The replacement cost method refers to an asset valuation method that uses the total cost required to re-purchase or re-construct an asset in a brand-new state under current conditions, minus the physical, functional, and economic depreciation already incurred by the asset to be appraised, with the difference serving as the appraised value of the appraised asset. The calculation formula is as follows:

   Appraised value = Full replacement cost × Comprehensive newness rate

   Full replacement cost = Construction and installation engineering cost + Preliminary expenses and other expenses + Cost of capital

   The full replacement cost does not include the value-added tax (VAT) input tax permitted to be deducted under the Value-added Tax Law of the People's Republic of China.

   Determination of comprehensive newness rate: Based on on-site inspection, the newness rate is comprehensively determined according to the structure, decoration, and usage status of the buildings, combined with the actual useful life.

(2) Machinery and equipment, transportation vehicles, and electronic equipment:

The replacement cost method is adopted for valuation based on the purpose of the valuation and the intended use of the appraised equipment. The replacement cost method refers to an asset valuation method that determines the value of the appraised asset by taking the replacement cost of the asset in a brand-new state under current conditions and deducting physical, functional, and economic depreciation. The valuation formula is:

Appraised value = Full replacement cost × Comprehensive newness rate

Full replacement cost = Acquisition cost (purchase price) + Equipment transportation and miscellaneous expenses + Equipment installation and debugging fees + Foundation expenses

The full replacement cost is calculated using the following formulas:

1) Replacement cost of domestic equipment purchased that does not require installation = Market transaction price at the benchmark date + Transportation and miscellaneous expenses = Market transaction price at the benchmark date × (1 + Transportation and miscellaneous expense rate).

2) Replacement cost of domestic equipment purchased that requires installation = Market transaction price at the benchmark date + Transportation and miscellaneous expenses + Installation and debugging fees = Market transaction price at the benchmark date × (1 + Transportation and miscellaneous expense rate + Installation and debugging fee rate) + Foundation expenses.

3) Replacement cost of imported equipment purchased that does not require installation = (FOB price + Insurance premium during transit + Overseas transportation and miscellaneous expenses, i.e., CIF price) × Foreign exchange rate at the benchmark date + Import tariffs + Value-added tax + Handling fees + Domestic transportation and miscellaneous expenses.

4) Replacement cost of imported equipment purchased that requires installation = (FOB price + Insurance premium during transit + Overseas transportation and miscellaneous expenses, i.e., CIF price) × Foreign exchange rate at the benchmark date + Import tariffs + Value-added tax + Handling fees + Domestic transportation and miscellaneous expenses + Installation and debugging fees + Foundation expenses.

The comprehensive newness rate is the ratio reflecting the current value of the valuation object to its replacement value in a brand-new state. The newness rate is determined by comprehensively using the service life method and the on-site observation method.

(3) Construction in progress

For construction in progress, valuation mainly involves checking documents such as project filing materials, verifying the engineering project, project content, physical progress, and payment progress. Adjustments are made according to the actual situation for discrepancies between books and reality. For this valuation, the book value after verification is taken as the appraised value.

(4) Intangible assets

1. For the acquisition cost of the land use rights to be appraised, this valuation adopts the benchmark land price correction method based on the verification of ownership and area. The benchmark land price correction method is a method for determining the value of the subject land parcel by making appropriate adjustments to the benchmark land price of the location where the parcel is situated, using relevant adjustment coefficients in areas where benchmark land prices have been announced by the government or its relevant departments.

   The basic formula for the benchmark land price correction method is:

   Land price of the subject parcel = $P1 \times K1 \times K2 \times K3 \times K4 \times K5 \times K6 \times K7$

   Where:
   P1 – Benchmark land price of the area where the parcel is situated
   K1 – Time correction coefficient
   K2 – Use correction coefficient
   K3 – Land use term correction coefficient
   K4 – Plot ratio correction coefficient
   K5 – Land development level correction coefficient
   K6 – Location factor correction coefficient
   K7 – Other factors correction coefficient

   At the same time, based on this, factors such as taxes and fees after land acquisition, management expenses, investment interest, and development profit are considered. After comprehensive consideration, the unit price for land valuation is determined, and the appraised value is determined by multiplying the unit valuation price by the land area.

3. Liabilities: These are divided into current liabilities and non-current liabilities. Liabilities specifically include short-term borrowings, payments received in advance, staff remuneration payable, taxes payable, interest payable, other payables, and long-term borrowings. With regard to liabilities, the valuers examine and verify the carrying amounts on the basis of the itemised schedules and relevant financial data provided by the enterprise, and determine the valuation based on the liability items and amounts actually incurred by the entity being valued as at the valuation benchmark date.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

The valuers carried out a valuation of the assets and liabilities included within the scope of this valuation. The main valuation process is as follows:

(I) Acceptance of Engagement

Before accepting the engagement, this Company held meetings with the relevant personnel of Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) to understand in detail the purpose of this valuation, the valuation object and scope of valuation, and the Valuation Benchmark Date. Based on this, this Company, in compliance with relevant national regulations, signed an Asset Valuation Engagement Contract with Jujiang Construction Group Co., Ltd. and formulated the corresponding valuation plan.

(II) On-site Investigation, Data Collection, and Verification

According to the asset valuation declaration documents provided by Jujiang Construction Group Co., Ltd., the valuers commenced the necessary investigations into the subject of the valuation and the assets and liabilities included within the scope of the valuation on 1 June 2026.

The valuers listened to a presentation by relevant personnel from Jujiang Construction Group Co., Ltd., gained an understanding of the current status of the subject of the valuation, examined its legal title, and carried out cross-checks of the accounts, financial statements and physical assets against the information provided by Jujiang Construction Group Co., Ltd. The valuers also collected relevant information concerning the subject of the valuation and the scope of the valuation, as well as supporting documentation for the valuation and estimation procedures, through channels such as the client, relevant professional bodies and the market, taking into account the characteristics of the subject of the valuation and the specific circumstances of the valuation engagement.

The valuers have requested confirmation from the client or other relevant parties regarding the detailed asset valuation schedules and other key information provided by them, and have verified and validated the data used in the asset valuation process.

Investigation under the Asset-based Approach

1. Verification of funds:

(1) Cash on hand: It is kept in the safe of the enterprise's finance department. We reconciled the general ledger, cash journal, and accounting statements. Valuers conducted on-site physical stocktaking of cash and verified the cash balance as at the Valuation Benchmark Date by back-calculating from the cash balance on the stocktaking date to the Valuation Benchmark Date based on cash receipts and payments. No discrepancies were found upon stocktaking.

(2) Bank deposits: We reviewed the bank statements and bank reconciliation statements of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (桐鄉市青少年素質教育實踐基地有限責任公司) as at 31 December 2025, and the amounts were consistent with the bank statements.

2. Verification of receivable and prepayment current assets:

The receivable and prepayment current assets included in the scope of this valuation include: trade receivables, prepayments, and other receivables. First, we reconciled the declaration forms with accounting statements, subsidiary ledgers, and the general ledger. Each item of the current accounts was verified one by one, and necessary evidence-gathering and verification were conducted. We sent confirmations for large-value items and reviewed relevant contracts and the status of contract performance. Based on the above, we made judgments on the recoverability of prepayments and trade receivables.

3. Verification of buildings and structures:

After arriving at the valuation site on 1 June 2026, the Company's valuers conducted detailed on-site investigation and verification for buildings and structures based on the building valuation declaration forms provided by the enterprise, including the number of items, area, structure type, other major parameters, decoration, water supply and drainage, power supply and lighting, heating and ventilation, materials, and equipment configuration. Combined with a review of the relevant blueprints for major buildings, we corrected any discrepancies between the declaration forms and the physical objects. In addition to verifying whether the quantity and content of the buildings were consistent with the declared information, we mainly observed: the structure, decoration, and facilities of the buildings, and their supporting usage status. For items where books and reality did not match, adjustments were made based on the actual situation after soliciting the opinions of relevant enterprise personnel, and on-site inspection forms for buildings and structures were completed based on on-site investigation.

4. Verification of construction in progress:

The construction in progress entrusted for valuation is the installation project of the Huayou New Energy Experience Hall (華友新能源體驗館). After verification, the book value after verification is taken as the appraised value for this valuation.

5. Verification of machinery and equipment, electronic equipment, and transportation vehicles:

After arriving at the valuation site on 1 June 2026, the valuation team conducted on-site physical checks on equipment based on the asset valuation declaration forms. We paid attention to checking whether there were any unrecorded or written-off equipment, and enquired of the personnel managing and using the equipment regarding their usage, maintenance, repairs, and technical modifications.

6. Verification of intangible assets:

The intangible assets entrusted for valuation are land use rights. For land use rights, based on verifying the method of acquisition, land use nature, development level, and whether rights are restricted, we collected valuation data such as land transaction cases in the same local area and land acquisition costs. For patents, we mainly reviewed the method of acquisition, cost expenditures, service targets, and current status, and verified the relevant patent certificates.

7. Verification of liabilities:

The liabilities of Tongxiang City Youth Quality Education Practice Base Co., Ltd. comprise current liabilities and non-current liabilities, primarily short-term borrowings, payments received in advance, staff remuneration payable, taxes payable, interest payable, other payables, and long-term borrowings. During verification, we reconciled the declaration forms with accounting statements, subsidiary ledgers, and the general ledger. At the same time, we reviewed relevant original vouchers and contracts, verified each item one by one to confirm the existence of the debts, and sent confirmations for large-value items.

(III) Valuation Estimation

For assets appraised using the asset-based approach, valuers conducted valuation calculations by selecting appropriate methods for each asset and liability of the appraised entity, based on necessary market research and enquiries, thereby determining the shareholders' equity value of the appraised entity.

(IV) Valuation Summary and Reporting

The valuation results were summarised and analysed, and the Asset Valuation Report and the Asset valuation Notes were prepared in accordance with the requirements of the Asset Valuation Practice Standards – Asset Valuation Reports. The valuation report was internally reviewed in accordance with our Company's internal quality control system.

IX. VALUATION ASSUMPTIONS

(I) Basic Assumptions

1. Transaction assumption

The transaction assumption posits that all assets to be valued are already in the process of being traded; the valuer determines the value by simulating a market based on the terms of the transaction for the assets in question. The transaction assumption is one of the most fundamental premises upon which asset valuation is based.

2. Open market assumption

The open market assumption is based on the premise that for assets traded or proposed to be traded on the market, the parties to the transaction are on an equal footing, and each party has the opportunity and time to obtain sufficient market information in order to make rational judgments on the functions, purposes, and transaction prices of the assets. The open market assumption is based on the premise that assets can be openly traded in the market.

3. Asset going concern assumption

The asset going concern assumption means that the valuation shall be conducted based on the continued use of the appraised assets in accordance with their current purposes, manner of use, scale, frequency, and environmental conditions, or based on the premise of certain modifications, and the valuation methods, parameters, and basis shall be determined accordingly.

4. Enterprise going concern assumption

The enterprise going concern assumption means that Tongxiang City Youth Quality Education Practice Base Co., Ltd. (桐鄉市青少年素質教育實踐基地有限責任公司) will continue to operate.

(II) General Assumptions

① There have been no significant changes to the current national and local laws, regulations, systems and socio-political and economic policies with which the company is required to comply in the course of its business;

② Tongxiang City Youth Quality Education Practice Base Co., Ltd. will continue to operate;

③ There are no material changes in the current national tax basis and tax rates, bank credit interest rates, and other policy-related charges;

④ There are no material adverse effects caused by other force majeure and unforeseeable factors.

(III) Specific Assumptions

① It is assumed that the professional personnel and senior management of Tongxiang City Youth Quality Education Practice Base Co., Ltd. will remain relatively stable, and there will be no material loss of core professional personnel;

② The current and future operators of Tongxiang City Youth Quality Education Practice Base Co., Ltd. are responsible, and the management of the company can steadily advance the company's development plans and maintain a good business momentum;

③ Future operators of Tongxiang City Youth Quality Education Practice Base Co., Ltd. will comply with relevant national laws and regulations, and there will be no material violations that affect the company's development and the realisation of its earnings;

④ The accounting policies and accounting methods adopted in the historical financial data provided by Tongxiang City Youth Quality Education Practice Base Co., Ltd. are substantially consistent in all material respects;

⑤ The future production, operation, and management mode and product structure of Tongxiang City Youth Quality Education Practice Base Co., Ltd. remain relatively stable compared with the current situation, and all functional departments of the enterprise perform their duties diligently and strictly execute in accordance with the current management system;

⑥ There will be no material safety liability accidents or unforeseeable events during the future production and operation of Tongxiang City Youth Quality Education Practice Base Co., Ltd.

If there is any difference between the actual situation in the future and the above-mentioned valuation assumptions, it will affect the valuation conclusion of this valuation report. The client and other users of the valuation report should fully consider the potential impact of the valuation assumptions on the valuation conclusion when using this valuation report.

X. VALUATION CONCLUSION

Based on the specific circumstances of this project, using the asset-based approach under the going concern assumption, the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. as at the Valuation Benchmark Date are RMB80,424,410.22 (in words: Renminbi eighty million, four hundred and twenty-four thousand, four hundred and ten dollars and twenty-two cents).

The book value of the total assets is RMB183,655,642.31, with an adjusted book value of RMB205,439,966.64, an appraised value of RMB222,395,061.41, and an appreciation of RMB16,955,094.77.

The book value of the total liabilities is RMB141,393,678.12, with an adjusted book value of RMB141,970,651.19, an appraised value of RMB141,970,651.19, and an appreciation of RMB0.00.

The book value of the net assets is RMB42,261,964.19, with an adjusted book value of RMB63,469,315.45, an appraised value of RMB80,424,410.22, and an appreciation of RMB16,955,094.77.

SUMMARY TABLE OF ASSET VALUATION RESULTS
Valuation Benchmark Date: 31 December 2025

Item		Book Value	Adjusted Book Value	Appraised Value	Appreciation/ (Depreciation)	Appreciation Rate %
		A	B	C	D=C-B	E=D/B×100
1.	Monetary funds	8,243,426.54	8,243,426.54	8,243,426.54		
2.	Trade receivables	15,276,828.92	365,040.00	365,040.00		
3.	Prepayments	95,413.66	94,933.66	94,933.66		
4.	Other receivables	1,000,000.00	1,000,000.00	1,000,000.00		
5.	Non-current assets due within one year	9,491,903.48	0.00	0.00		
6.	Total current assets	34,107,572.60	9,703,400.20	9,703,400.20		
7.	Fixed assets	1,736,859.26	161,634,272.44	188,681,280.00	27,047,007.56	16.73
8.	Construction in progress	2,196,781.21	2,196,781.21	2,196,781.21		
9.	Long-term receivables	86,273,460.75	0.00	0.00		
10.	Intangible assets	59,340,968.49	31,905,512.79	21,813,600.00	-10,091,912.79	-31.63
11.	Total non-current assets	149,548,069.71	195,736,566.44	212,691,661.21	16,955,094.77	8.66
12.	Total assets	183,655,642.31	205,439,966.64	222,395,061.41	16,955,094.77	8.25
13.	Short-term borrowings	20,327,600.00	20,327,600.00	20,327,600.00		
14.	Payments received in advance	4,882,312.32	3,900.00	3,900.00		
15.	Staff remuneration payable	569,857.50	569,857.50	569,857.50		
16.	Taxes payable	1,805,430.85	1,805,430.85	1,805,430.85		
17.	Interest payable	145,798.00	145,798.00	145,798.00		
18.	Other payables	27,679,788.91	31,246,777.24	31,246,777.24		
19.	Total current liabilities	55,410,787.58	54,099,363.59	54,099,363.59		
20.	Long-term borrowings	85,982,890.54	87,871,287.60	87,871,287.60		
21.	Total non-current liabilities	85,982,890.54	87,871,287.60	87,871,287.60		
22.	Total liabilities	141,393,678.12	141,970,651.19	141,970,651.19		
23.	Net assets	42,261,964.19	63,469,315.45	80,424,410.22	16,955,094.77	26.71

This asset valuation report is intended solely to provide a value reference for the economic activity described in this asset valuation report. The valuation conclusion is valid for one year from the Valuation Benchmark Date, i.e., effective from the Valuation Benchmark Date to 30 December 2026.

XI. EXPLANATION OF SPECIAL MATTERS

The special matters stated in this asset valuation report refer to matters that may affect the valuation conclusion discovered by the valuers on the premise that the valuation conclusion has been determined, but which are beyond the professional level and capabilities of the valuers.

1. Due to the limitations of objective conditions, this report may not fully reflect cases where bad debts exist or where payments are not required in respect of receivables and payables.

2. Deferred tax assets and liabilities have not been recognised in this report.

3. Taxes payable are subject to the final assessment by the tax authorities.

4. The book data for this valuation was based on the stand-alone report audited by Ernst & Young Hua Ming LLP (Special General Partnership).

5. The original No. 1 plant building, No. 2 plant building and No. 3 plant building within the scope of this valuation were properties acquired from Dama Town People's Government. The original property owner was Tongxiang Libing Chemical Fibre Textile Co., Ltd.* (桐鄉力兵化纖紡織有限公司), and the ownership transfer registration had not been completed as at the valuation date. The total gross floor area of the No. 1 to No. 3 plant buildings amounted to 10,812.57 sq.m. They are steel-concrete structures constructed in 2013. For the purpose of this valuation, it is assumed that the above-mentioned buildings are lawful, have clear ownership and are capable of undergoing the relevant ownership registration procedures in accordance with applicable laws. The valuation was conducted on the basis of full ownership rights, assuming the continued use of the assets and the continued operation of the enterprise. No separate impairment adjustment has been made in respect of the above ownership defects. If the above ownership matters cannot ultimately be rectified, the valuation conclusion may be affected. Users of the valuation report should pay attention to this matter.

6. The electricity room, No. 5 building, No. 7-B building, No. 7 building, Zone A of No. 6 building, Zone B of No. 6 building, basement, greenhouse facilities and other properties within the scope of this valuation are newly constructed plant buildings. As at the valuation date, the relevant property ownership certificates had not been obtained. The total gross floor area of the factory buildings amounted to 47,550.32 sq.m. They comprise steel-concrete structures and shed structures and were constructed in 2020. For the purpose of this valuation, it is assumed that the above-mentioned buildings are lawful, have clear ownership and are capable of undergoing the relevant ownership registration procedures in accordance with applicable laws. The valuation was conducted on the basis of full ownership rights, assuming the continued use of the assets and the continued operation of the enterprise. No separate impairment adjustment has been made in respect of the above ownership defects. If the above ownership matters cannot ultimately be rectified, the valuation conclusion may be affected. Users of the valuation report should pay attention to this matter.

Post-Valuation Events:

① If there is any change in the quantity of assets within the validity period after the Valuation Benchmark Date, the asset amount shall be adjusted accordingly based on the original valuation method.

② If there is any material change in the price standards of assets within the validity period after the Valuation Benchmark Date, which has a serious impact on the appraised asset price, the client shall promptly engage a valuation institution to re-determine the appraised value.

③ This asset valuation report shall not be directly used if any material adjustments occur after the Valuation Benchmark Date.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

This asset valuation report shall only be used for the valuation purpose and use stated herein.

If the client or other users of the asset valuation report use the asset valuation report in violation of the provisions of laws and administrative regulations or the scope of use specified in the asset valuation report, the asset valuation institution and the asset valuation professionals shall not be held liable.

No institution or individual other than the client, other users of the asset valuation report as agreed in the asset valuation engagement contract, and users of the asset valuation report as stipulated by laws and administrative regulations may become a user of the asset valuation report.

Users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable price of the valuation object, and the valuation conclusion should not be considered as a guarantee for the realisable price of the valuation object.

Without the review of the relevant content by this valuation institution, the whole or any part of the contents of the asset valuation report shall not be excerpted, quoted, or disclosed in public media, except as otherwise stipulated by laws and administrative regulations, or as otherwise agreed by the relevant parties.

This asset valuation report must be used in its entirety to be valid, and the Company shall not be held liable for any potential losses resulting from the use of only a portion of the report.

The validity period of the valuation conclusion is one year from the Valuation Benchmark Date; that is, the valuation conclusion of this asset valuation report will be invalid if used after 30 December 2026.

XIII. DATE OF THE ASSET VALUATION REPORT

Date of this asset valuation report: 25 June 2026.

Asset Valuer: Luo Xiao (羅瀟)

Asset Valuer: Huang Shaoming (黃少明)

Valuation Institution: Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.* (嘉興求真房地產資產評估有限公司)

Address: Room 603, Unit 1, Tongxiang Chamber of Commerce Building, No. 55 Zhenxing East Road (East), Wutong Street, Tongxiang City

I. STATEMENT ON LIMITATIONS OF USE OF THE ASSET VALUATION EXPLANATION

This explanation forms part of the valuation report (Qiu Zhen Zi Ping [2026] No. 063) prepared by Jujiang Construction Group Co., Ltd. and Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.* (嘉興求真房地產資產評估有限公司). It is provided solely for the use by the client as a reference basis for the valuation purpose, being to understand the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd.* (桐鄉市青少年素質教育實踐基地有限責任公司). Unless otherwise required by laws or administrative regulations, the whole or any part of the contents of this material shall not be provided to any other entity or individual, nor shall it be disclosed through any public media.

II. THE DESCRIPTION OF MATTERS RELATED TO THE ASSET VALUATION

(1) Overview of the Client and the Appraised Entity:

(1) Overview of the Client:

Entity Name:	Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司)
Company Type:	Joint stock limited company (invested by Hong Kong, Macao, Taiwan; listed)
Address:	Building 1, No. 669 Qingfeng South Road (South), Tongxiang City, Zhejiang Province
Date of Establishment:	17 April 2001
Unified Social Credit Code:	91330400146841507E
Legal Representative:	Mr. Lyu Yaoneng (吕耀能)
Registered Capital:	RMB533.36 million
Business Scope:	General contracting for construction; general contracting for engineering; project management; development and consultancy of construction engineering technology; leasing and installation of machinery and equipment; assembly and installation of steel structure components; wholesale and retail of construction materials; engineering management services and survey and design; investment and construction of infrastructure; construction and maintenance of municipal public works, sports facility works, and landscaping works; pipeline dredging; installation and sale of traffic facilities. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments.)

(2) Overview of the Appraised Entity:

Entity Name:	Tongxiang City Youth Quality Education Practice Base Co., Ltd. (桐鄉市青少年素質教育實踐基地有限責任公司)
Company Type:	Other limited liability company
Address:	East of Baqiaotou, Haihua Village, Dama Town, Tongxiang City, Jiaxing City, Zhejiang Province
Date of Establishment:	30 September 2015
Unified Social Credit Code:	91330483MA28A03443
Legal Representative:	Yu Guoxing
Registered Capital:	RMB60 million
Business Scope:	Investment, development, construction, and management of the Tongxiang City Youth Quality Education Practice Base; education consultancy, investment consultancy; outward bound training; organization and planning of cultural, artistic, and sports activities. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments.)

(II) Explanation of the Purpose of Valuation

Jujiang Construction Group Co., Ltd. intends to understand the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd., and to appraise the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (excluding intangible assets that are not identifiable) involved in such economic activity to determine their market value as at the Valuation Benchmark Date of 31 December 2025, thereby providing a value reference for the aforementioned economic activity.

(III) Explanation of Type of Value and Definition:

In accordance with the purpose of this valuation, the type of value is determined to be market value, which refers to the estimated value of the valuation object in a normal fair transaction on the Valuation Benchmark Date between a willing buyer and a willing seller, each acting rationally and without any compulsion.

The purpose of an asset valuer in performing asset valuation engagements is solely to estimate the value of the valuation subject and express professional opinions thereon. The valuation results refer to the estimated value of the valuation subject determined for the purpose of the valuation, on the assumption that there are no material changes in the economic environment and market conditions as at the valuation benchmark date, as well as other valuation prerequisites and assumptions adopted by the asset valuer. Such valuation results should not be construed as a guarantee or undertaking regarding the realisation of the value of the valuation subject.

(IV) Explanation of Valuation Object and Scope of Valuation

According to the purpose of valuation, the valuation object is the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. (excluding intangible assets that are not identifiable), while the scope of valuation covers all assets and relevant liabilities of Tongxiang City Youth Quality Education Practice Base Co., Ltd. as audited on the Valuation Benchmark Date.

Based on this valuation, the total assets amounted to RMB183,655,642.31 with current assets of RMB34,107,572.60 and non-current assets of RMB149,548,069.71; total liabilities amounted to RMB141,393,678.12, with current liabilities of RMB55,410,787.58 and non-current liabilities of RMB85,982,890.54; and net assets amounted to RMB42,261,964.19.

Details are set out in the table below:

Asset and Liability Position as at 31 December 2025

Unit of amount: RMB

Assets	Line Item	Closing Balance	Liabilities and Owners' Equity (or Shareholders' Equity)	Line Item	Closing Balance
Current Assets:			**Current Liabilities:**		
Monetary funds	1	8,243,426.54	Short-term borrowings	31	20,327,600.00
Short-term investments	2		Bills payable	32	
Bills receivable	3		Accounts payable	33	
Trade receivables	4	15,276,828.92	Payments received in advance	34	4,882,312.32
Prepayments	5	95,413.66	Staff remuneration payable	35	569,857.50
Dividends receivable	6		Taxes payable	36	1,805,430.85
Interest receivable	7		Interest payable	37	145,798.00
Other receivables	8	1,000,000.00	Profit payable	38	
Inventories	9		Other payables	39	27,679,788.91
Of which: Raw materials	10		Other current liabilities	40	
Work in progress	11		Total Current Liabilities	41	55,410,787.58
Stock goods	**12**		**Non-current Liabilities:**		
Turnover materials	13		Long-term borrowings	42	85,982,890.54
Non-current assets due within one year	14	9,491,903.48	Long-term payables	43	
Total current assets	15	34,107,572.60	Deferred income	44	
Non-current Assets:			Other non-current liabilities	45	
Long-term bond investments	16		Total non-current liabilities	46	85,982,890.54
Long-term equity investments	17		Total Liabilities	47	141,393,678.12
Original cost of fixed assets	18	5,048,845.51			
Less: Accumulated depreciation	19	3,311,986.25			
Carrying value of fixed assets	20	1,736,859.26			
Construction in progress	21	2,196,781.21			
Construction materials	22				
Disposal of fixed assets	23				
Long-term receivables	24	86,273,460.75	Owners' Equity (or Shareholders' Equity):		
Intangible assets	25	59,340,968.49	Paid-in capital (or share capital)	48	60,000,000.00
Development expenditure	26		Capital reserve	49	
Long-term deferred expenses	27		Surplus reserve	50	
Other non-current assets	28		Undistributed profits	51	-17,738,035.81
Total Non-current Assets	29	149,548,069.71	Total Owners' Equity (or Shareholders' Equity)	52	42,261,964.19
Total Assets	30	183,655,642.31	Total Liabilities and Owners' Equity (or Shareholders' Equity)	53	183,655,642.31

The scope and book value of the assets subject to this valuation are consistent with those determined at the time of commissioning the valuation.

(V) Explanation of the Valuation Benchmark Date

The Valuation Benchmark Date for this valuation is 31 December 2025, and all pricing standards adopted for the valuation are based on the prices prevailing as at the valuation benchmark date. In order to ensure the authenticity, completeness and fairness of the information required for the valuation, as well as the timeliness of the Valuation Report, it was agreed with and determined by the client that 31 December 2025 shall be adopted as the Valuation Benchmark Date for this valuation.

III. GENERAL EXPLANATION OF THE ASSET VERIFICATION

Upon acceptance of the engagement, our firm formed a valuation team comprising asset valuers and accounting personnel. In accordance with the laws and regulations relating to asset valuation, the China Asset Valuation Standards and relevant national requirements, and following the prescribed valuation procedures, the valuation team commenced on-site work on 1 June 2026. With the assistance of the relevant personnel of the client, the valuation team performed the necessary asset verification procedures in respect of the assets entrusted for valuation by your company, including conducting physical inspections and verification of all assets subject to valuation, as well as verifying the relevant accounting records, ownership certificates and other documentary materials. The necessary valuation procedures required under the circumstances at that time were duly completed.

IV. TECHNICAL EXPLANATION OF THE VALUATION UNDER THE ASSET-BASED APPROACH

1. Monetary funds: According to the provided declaration and valuation list for monetary funds, the book value of the monetary funds is RMB8,243,426.54, comprising bank deposits of RMB8,243,426.54.

   Upon reviewing and verifying the books, the amounts were confirmed to be consistent. Accordingly, the adjusted carrying amount and appraised value of monetary funds were both RMB8,243,426.54.

2. Trade receivables: According to the provided declaration and valuation list, the book value of trade receivables was RMB15,276,828.92, representing receivables relating to the PPP Project and others. Upon reviewing and verifying the books, it was noted that: (i) pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the PPP project receivable of RMB14,911,788.92 presented as an audit adjustment by Ernst & Young was deducted in this valuation. Accordingly, the adjusted book value and appraised value of trade receivables were RMB365,040.00.

Of which: trade receivables with an ageing period of within one year amounted to RMB365,040.00. Due to objective limitations, this report cannot fully reflect the circumstances of bad debts relating to trade receivables.

3. Prepayments: According to the provided declaration and valuation schedule, the book value of prepayments was RMB95,413.66, representing prepayments for natural gas and group personal accident insurance for premises and others. Upon reviewing and verifying the books, it was noted that: (i) the elevator annual inspection fee of RMB480.00, for which payment had actually been made but the invoice had not yet been received, was transferred to expenses and written off in this valuation. Accordingly, the adjusted book value and appraised value of prepayments were RMB94,933.66.

Of which: prepayments with an aging of less than one year amounted to RMB 94,933.66. Due to objective limitations, this report cannot fully reflect instances of bad debts among the prepayments.

4. Other receivables: According to the provided declaration and valuation schedule, the book value of other receivables was RMB1,000,000.00, representing the performance security deposit for the PPP project operation. Upon reviewing and verifying the books, the amount was confirmed to be consistent. Accordingly, the adjusted book value and appraised value of other receivables were RMB1,000,000.00.

Of which: other receivables with an ageing period of within five years amounted to RMB1,000,000.00. Due to objective limitations, this report cannot fully reflect the instances of bad debts relating to other receivables.

5. Non-current Assets Due Within One Year:

According to the provided declaration and valuation list, the book value of non-current assets due within one year was RMB9,491,903.48, representing receivables relating to the PPP project. Upon reviewing and verifying the books, it was noted that: ① pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the PPP project receivable of RMB9,491,903.48 presented as an audit adjustment by Ernst & Young was deducted in this valuation. The adjusted book value and appraised value of non-current assets due within one year were RMB0.00.

6. Fixed assets – buildings and structures: According to the provided declaration and valuation list, the book value of the original cost and the net book value of buildings and structures were both RMB0.00. Upon reviewing and verifying the books, it was noted that: ① pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement

documents and audited financial information, the original cost and net book value of fixed assets – buildings and structures transferred to intangible assets and current account balances as presented in the audit adjustments by Ernst & Young were reversed in this valuation. Accordingly, the adjusted original cost and net book value of fixed assets – buildings and structures were RMB211,511,564.63 and RMB158,262,000.93, respectively.

The original No. 1 plant building, No. 2 plant building and No. 3 plant building within the scope of this valuation were properties acquired from Dama Town People's Government. The original property owner was Tongxiang Libing Chemical Fibre Textile Co., Ltd.* (桐鄉力兵化纖紡織有限公司), and the ownership transfer registration had not been completed as at the valuation date. The total gross floor area of the No. 1 to No. 3 plant buildings amounted to 10,812.57 sq.m. They are steel-concrete structures constructed in 2013.

The electricity room, No. 5 building, No. 7-B building, No. 7 building, Zone A of No. 6 building, Zone B of No. 6 building, basement, greenhouse facilities and other properties within the scope of this valuation are newly constructed plant buildings. As at the valuation date, the relevant property ownership certificates had not been obtained. The total gross floor area of the factory buildings amounted to 47,550.32 sq.m. They comprise steel-concrete structures and shed structures and were constructed in 2020.

The plant buildings subject to valuation were appraised using the replacement cost method. The determination of replacement cost was based on the construction cost of similar buildings, adjusted by relevant coefficients, plus preliminary expenses and capital costs, to determine the replacement cost at full value. The determination of the remaining useful life rate was based on records of the condition of various components of the buildings and structures, including the structures, foundations and decorations, obtained during the inspection process, together with the useful life method, to determine the remaining useful life rate of each building and structure. Based on this method, the replacement value of the buildings and structures was determined to be RMB207,292,500.00, the appraised value was RMB182,698,700.00, representing an appreciation of RMB24,436,699.07.

7. Fixed assets – electronic equipment: According to the provided declaration and valuation list, the book value of the original cost and the net book value of electronic equipment were RMB4,757,004.81 and RMB1,716,491.03, respectively, representing air-conditioning units, computers and others. Upon reviewing and verifying the books, it was noted that:

① pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the original cost and net book value of fixed assets – electronic equipment transferred to intangible assets and current account balances as presented in the audit adjustments by Ernst & Young were reversed in this valuation. Accordingly, the adjusted original cost and net book value of fixed assets – electronic equipment were RMB10,817,431.47 and RMB3,351,903.28, respectively.

The valuers first conducted on-site inspections of the equipment subject to valuation and recorded the models, places of origin and technical specifications of the equipment. The replacement cost at full value was determined through market enquiries or by applying price coefficients. The valuers then conducted on-site inspections, obtained information from equipment management personnel regarding the maintenance and repair conditions, understood the actual service periods, and observed the operating conditions and working accuracy of the equipment. Taking into account the technological updates of the equipment and its economic useful life, the remaining useful life rate of the equipment was determined on a comprehensive basis. Based on the above method, the replacement value of electronic equipment was determined to be RMB10,558,744.00, the appraised value was RMB5,837,580.00, representing an appreciation of RMB2,485,676.72.

8. Fixed assets – vehicles: According to the provided asset inventory and valuation list, the book value of the original cost and the net book value of fixed assets – vehicles were RMB291,840.70 and RMB20,368.23, respectively, representing a Honda Odyssey. Upon reviewing and verifying the books, the amounts were confirmed to be consistent. The valuers first conducted on-site inspections of the vehicles subject to valuation and recorded the vehicle licence plates, brand models and dates of acquisition. The replacement cost at full value was determined through market enquiries or by applying price coefficients. The valuers then conducted on-site inspections to understand the usage conditions, maintenance and repair status and performance of the vehicles. Meanwhile, the motor vehicle registration certificates provided by the enterprise were verified, and the maintenance and repair conditions were obtained from equipment management personnel, based on which the remaining useful life rate of the vehicles was determined on a comprehensive basis. Based on the above method, the replacement value of the vehicles was determined to be RMB263,600.00, the appraised value was RMB145,000.00, representing an appreciation of RMB124,631.77.

9. Construction in progress: According to the provided asset inventory and valuation list, the book value of construction in progress was RMB2,196,781.21, representing the installation works for the Huayou New Energy Experience Centre. The project commenced construction recently and, as at the valuation benchmark date, had not yet been completed or transferred to fixed assets. The valuers reviewed the relevant contracts, project progress, payment vouchers and accounting records. As the relevant costs were incurred recently and no obvious indications of impairment or abnormal cost overruns were identified, the verified book costs were comparable to the replacement cost as at the valuation benchmark date. Accordingly, the book value as verified through the asset inventory was adopted as the appraised value for this valuation, and the appraised value of construction in progress was RMB2,196,781.21.

10. Long-term receivables: According to the provided declaration and valuation list, the book value of long-term receivables was RMB86,273,460.75, representing receivables relating to the PPP project. Upon reviewing and verifying the books, it was noted that: ① pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the PPP project receivable of RMB86,273,460.75 presented as an audit adjustment by Ernst & Young was deducted in this valuation. Accordingly, the adjusted book value and appraised value of long-term receivables were RMB0.00.

11. Intangible Assets: According to the provided asset valuation list, the book value of intangible assets was RMB59,340,968.49, representing the operating rights of the PPP project as adjusted by Ernst & Young in its audit. Upon reviewing and verifying the books, it was noted that:① pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the operating rights of the PPP Project of RMB59,340,968.49 presented as an audit adjustment by Ernst & Young were deducted in this valuation; ② pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the net value of land use rights of RMB31,905,512.79 was added in this valuation.

    The land use rights were appraised using the cost approximation approach.

The land parcel is located on the south side of Baidian Highway, Haihua Village, Dama Town, Tongxiang City, with Kezhou Line to the east, Haihua Middle Road to the west and Baidian Highway to the north. Your company has obtained the Real Estate Ownership Certificate numbered Zhejiang (2018) Tongxiang Real Estate Ownership No. 0053537. According to the certificate, the land user is Tongxiang City Youth Quality Education Practice Base Co., Ltd.* (桐鄉市青少年素質教育實踐基地有限責任公司), the land use rights area is 36,415.41 sq.m., the type of land use rights is allocated, and the land use is for science and education purposes.

The land subject to this valuation is for science and education purposes, and the land acquisition cost was appraised using the benchmark land price coefficient correction method. The benchmark land price of the land parcel was determined based on the updated benchmark land price results of Tongxiang City as announced in the Notice of Tongxiang City People's Government on the Publication of the Updated Benchmark Land Price Results of Tongxiang City dated 1 November 2024. The adjusted appraised benchmark land price was then determined by making adjustments for factors including the land grant term, valuation date, aggregation scale, external transportation conditions and road accessibility. On this basis, factors including taxes and fees incurred after land acquisition, management expenses, investment interest and development profit were taken into consideration, and the unit appraised value of the land was determined after comprehensive consideration. The appraised value was determined by multiplying the unit appraised value by the land area. Based on the above method, the appraised value of the land use rights was determined to be RMB21,813,600.00, representing a decrease of RMB10,091,912.79.

12. Short-term borrowings: According to the provided declaration and valuation list, the book value of short-term borrowings was RMB20,327,600.00, representing borrowings from China Construction Bank Corporation* (中國建設銀行股份有限公司). Upon reviewing and verifying the books, the amount was confirmed to be consistent. Accordingly, the adjusted book value and appraised value of short-term borrowings were RMB20,327,600.00.

13. Payments received in advance: According to the provided declaration and valuation list, the book value of payments received in advance was RMB4,882,312.32, representing payments received in advance from the Tongxiang Municipal Education Bureau* (桐鄉市教育局) for the PPP project and others. Upon reviewing and verifying the books and by way of confirmation, it was noted that: ① pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the payments received in advance for the PPP project of RMB4,878,412.32 as adjusted by Ernst & Young in its audit were transferred to income in this valuation. Accordingly, the adjusted book value and appraised value of payments received in advance were RMB3,900.00.

14. Employee benefits payable: According to the provided declaration and valuation list, the book value of employee benefits payable was RMB569,857.50, representing salaries, bonuses and others payable. Upon reviewing and verifying the books, the amount was confirmed to be consistent. Accordingly, the adjusted book value and appraised value of employee benefits payable were RMB569,857.50.

15. Taxes payable: According to the provided declaration and valuation list, the book value of taxes payable was RMB1,805,430.85, representing value-added tax, property tax, land use tax, enterprise income tax and others payable. Upon reviewing and verifying the books, the amount was confirmed to be consistent. Accordingly, the adjusted book value and appraised value of taxes payable were RMB1,805,430.85.

16. Interest payable: According to the provided declaration and valuation list, the book value of interest payable was RMB145,798.00, representing accrued interest payable to China Construction Bank Corporation* (中國建設銀行股份有限公司). Upon reviewing and verifying the books, the amount was confirmed to be consistent. Accordingly, the adjusted book value and appraised value of interest payable were RMB145,798.00.

17. Other Payables: According to the provided declaration and valuation list, the book value of other payables was RMB27,679,788.91, representing amounts due to Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司), donation amounts payable to Tongxiang Charity Federation* (桐鄉市慈善總會) and others. Upon reviewing and verifying the books by way of confirmation, it was noted that: ① other payables – other negative balance of RMB10,449,275.89 was transferred to fixed assets – buildings and structures; ② over-accrued construction fees payable to Jujiang Construction Group Co., Ltd.* (巨匠建設集團股份有限公司) of RMB1,718,979.46 were deducted; ③ the individual income tax of RMB240.00 which had actually been paid was transferred to non-operating income; ④ the accrued trade union expenses of RMB6,300.00 payable to the Tongxiang Municipal Committee of the China Education Trade Union* (中國教育工會桐鄉市委員會), which were no longer required to be paid, were deducted; ⑤ donation income received from Tongxiang Charity Federation* (桐鄉市慈善總會) of RMB4,500,000.00 was transferred to non-operating income; ⑥ pursuant to the relevant provisions of the Tongxiang City Youth Quality Education Practice Base PPP Project Contract (《桐鄉市青少年素質教育

實踐基地PPP項目合同》), as well as the relevant arrangements and communications between the Company and the relevant parties in relation to the early termination of the project, and after reviewing the relevant settlement documents and audited financial information, the current account balances between Tongxiang City Youth Quality Education Practice Base Co., Ltd.* (桐鄉市青少年素質教育實踐基地有限責任公司) and Jujiang Construction Co., Ltd.* (巨匠建設股份有限公司) had been fully settled. Accordingly, the interest of RMB656,768.10 over-accrued by Jujiang Construction Co., Ltd.* (巨匠建設股份有限公司) was deducted in this valuation. Accordingly, the adjusted book value and appraised value of other payables were RMB31,246,777.24.

18. Long-term Borrowings: According to the provided declaration and valuation list, the book value of long-term borrowings was RMB85,982,890.54, representing borrowings from China Construction Bank Corporation* (中國建設銀行股份有限公司) and unrecognised financing expenses. Upon reviewing and verifying the books by way of confirmation, it was noted that: ① based on the bank confirmation reply, the unrecognised financing expenses of RMB1,888,397.06 as presented in the audit adjustment by Ernst & Young were reversed. Accordingly, the adjusted book value and appraised value of long-term borrowings were RMB87,871,287.60.

V. ASSESSMENT CONCLUSIONS AND ANALYSIS

(I) Valuation Conclusion

Based on the specific circumstances of this project, using the asset-based approach under the going concern assumption, the net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd. as at the Valuation Benchmark Date are RMB80,424,410.22 (in words: Renminbi eighty million, four hundred and twenty-four thousand, four hundred and ten dollars and twenty-two cents).

The book value of total assets was RMB183,655,642.31, the adjusted book value was RMB205,439,966.64, and the appraised value was RMB222,395,061.41, representing an appreciation of RMB16,955,094.77.

The book value of total liabilities was RMB141,393,678.12, the adjusted book value was RMB141,970,651.19, and the appraised value was RMB141,970,651.19, representing an appreciation of RMB0.00.

The book value of net assets was RMB42,261,964.19, the adjusted book value was RMB63,469,315.45, and the appraised value was RMB80,424,410.22, representing an appreciation of RMB16,955,094.77.

SUMMARY TABLE OF ASSET VALUATION RESULTS
Valuation Benchmark Date: 31 December 2025

Item		Book Value	Adjusted Book Value	Appraised Value	Appreciation/ (Depreciation)	Appreciation Rate %
		(A)	(B)	(C)	D=C-B	E=D/B×100
1	Monetary funds	8,243,426.54	8,243,426.54	8,243,426.54		
2	Trade receivables	15,276,828.92	365,040.00	365,040.00		
3	Prepayments	95,413.66	94,933.66	94,933.66		
4	Other receivables	1,000,000.00	1,000,000.00	1,000,000.00		
5	Non-current assets due within one year	9,491,903.48	0.00	0.00		
6	Total Current Assets	34,107,572.60	9,703,400.20	9,703,400.20		
7	Fixed assets	1,736,859.26	161,634,272.44	188,681,280.00	27,047,007.56	16.73
8	Construction in progress	2,196,781.21	2,196,781.21	2,196,781.21		
9	Long-term receivables	86,273,460.75	0.00	0.00		
10	Intangible assets	59,340,968.49	31,905,512.79	21,813,600.00	-10,091,912.79	-31.63
11	Total Non-Current Assets	149,548,069.71	195,736,566.44	212,691,661.21	16,955,094.77	8.66
12	Total Assets	183,655,642.31	205,439,966.64	222,395,061.41	16,955,094.77	8.25
13	Short-term borrowings	20,327,600.00	20,327,600.00	20,327,600.00		
14	Payments received in advance	4,882,312.32	3,900.00	3,900.00		
15	Employee benefits payable	569,857.50	569,857.50	569,857.50		
16	Taxes payable	1,805,430.85	1,805,430.85	1,805,430.85		
17	Interest payable	145,798.00	145,798.00	145,798.00		
18	Other payables	27,679,788.91	31,246,777.24	31,246,777.24		
19	Total Current Liabilities	55,410,787.58	54,099,363.59	54,099,363.59		
20	Long-term borrowings	85,982,890.54	87,871,287.60	87,871,287.60		
21	Total Non-Current Liabilities	85,982,890.54	87,871,287.60	87,871,287.60		
22	Total Liabilities	141,393,678.12	141,970,651.19	141,970,651.19		
23	Net Assets	42,261,964.19	63,469,315.45	80,424,410.22	16,955,094.77	26.71

This asset valuation report is intended solely to provide a value reference for the economic activity described in this asset valuation report. The valuation conclusion is valid for one year from the Valuation Benchmark Date, i.e., effective from the Valuation Benchmark Date to 30 December 2026.

(II) Analysis of the Valuation Conclusion

Based on the asset-based approach, the adjusted net assets of Tongxiang City Youth Quality Education Practice Base Co., Ltd.* (桐鄉市青少年素質教育實踐基地有限責任公司) as at the valuation benchmark date were appraised at an appreciation of RMB16,955,094.77, representing an appreciation rate of 26.71%. The principal reasons for the appreciation are as follows:

1. The appraised value of fixed assets increased by RMB27,047,007.56, which was mainly attributable to the difference between the depreciation of fixed assets recognised in the books and the valuation adjustments.

2. The appraised value of intangible assets decreased by RMB10,091,912.79, which was mainly attributable to the difference between the original acquisition price of the land and the current appraised value of the land.

VI. EXPLANATION OF SPECIAL MATTERS:

Matters discovered during the valuation process that may affect the valuation conclusion but are beyond the professional level and capabilities of the valuers are as follows:

1. Due to the limitations of objective conditions, this report may not fully reflect cases where bad debts exist or where payments are not required in respect of receivables and payables.

2. Deferred tax assets and liabilities have not been recognised in this report.

3. Taxes payable are subject to the final assessment by the tax authorities.

4. The book data for this valuation was based on the stand-alone report audited by Ernst & Young Hua Ming LLP (Special General Partnership).

5. The original No. 1 plant building, No. 2 plant building and No. 3 plant building within the scope of this valuation were properties acquired from Dama Town People's Government. The original property owner was Tongxiang Libing Chemical Fibre Textile Co., Ltd.* (桐鄉力兵化纖紡織有限公司), and the ownership transfer registration had not been completed as at the valuation date. The total gross floor area of the No. 1 to No. 3 plant buildings amounted to 10,812.57 sq.m. They are steel-concrete structures constructed in 2013. For the purpose of this valuation, it is assumed that the above-mentioned buildings are lawful, have clear ownership and are capable of undergoing the relevant ownership registration procedures in accordance with applicable laws. The valuation was conducted on the basis of full ownership rights, assuming the continued use of the assets and the continued operation of the enterprise. No separate impairment adjustment has been made in respect of the above ownership defects. If the above ownership matters cannot ultimately be rectified, the valuation conclusion may be affected. Users of the valuation report should pay attention to this matter.

6. The electricity room, No. 5 building, No. 7-B building, No. 7 building, Zone A of No. 6 building, Zone B of No. 6 building, basement, greenhouse facilities and other properties within the scope of this valuation are newly constructed plant buildings. As at the valuation date, the relevant property ownership certificates had not been obtained. The total gross floor area of the factory buildings amounted to 47,550.32 sq.m. They comprise steel-concrete structures and shed structures and were constructed in 2020. For the purpose of this valuation, it is assumed that the above-mentioned buildings are lawful, have clear ownership and are capable of undergoing the relevant ownership registration procedures in accordance with applicable laws. The valuation was conducted on the basis of full ownership rights, assuming the continued use of the assets and the continued operation of the enterprise. No separate impairment adjustment has been made in respect of the above ownership defects. If the above ownership matters cannot ultimately be rectified, the valuation conclusion may be affected. Users of the valuation report should pay attention to this matter.

Users of this valuation report should be aware of the impact of the special considerations on the valuation conclusions.

VII. EXPLANATION OF MATTERS AFTER THE VALUATION BENCHMARK DATE AND THEIR IMPACT ON APPRAISAL CONCLUSIONS:

After the valuation benchmark date, if the quantity of assets within the validity period and the valuation standards change, the following adjustments should be made:

(1) In case of changes in the number of assets during the valid period after the valuation benchmark date, the amount of assets shall be adjusted accordingly under the original valuation approach;

(2) In the event that there are significant changes in asset pricing standards during the valid period after the valuation base date which significantly affect the appraised value of the assets, the client shall promptly engage a valuer to re-determine the appraised value;

(3) This valuation report may not be used directly if a significant event occurs after the valuation benchmark date.

VIII. VALIDITY, SCOPE OF USE, AND VALIDITY PERIOD OF EVALUATION CONCLUSIONS:

1. The valuation conclusion set out in this report represents the opinion issued by the professional valuers of our Company in accordance with the relevant national regulations and has the legal effect as prescribed by law.

2. The term "appraised value" as used in this report refers to the appraised value of the assets of the enterprise on the basis that the enterprise continues as a going concern as at the valuation benchmark date.

3. The assets subject to valuation are in normal, reasonable and lawful condition of operation, use and maintenance within the scope permitted by foreseeable legal, economic and technical conditions.

4. The valuation results set out in the valuation report shall, if required to be submitted to the competent authority responsible for asset valuation for verification and confirmation, become legally effective upon such verification and confirmation. The appendices to this report shall have the same legal effect as the main body of this report for the same purpose.

5. This valuation conclusion is provided solely for use by the client for the purpose of this valuation. The right to use this valuation report belongs to the client. Without the consent of the client, the valuation institution shall not provide this Valuation Report to any other person or disclose it to the public.

6. Pursuant to the prevailing requirements, the validity period of the valuation results is one year. That is, where the valuation purpose is realised within one year after the valuation benchmark date, the valuation results shall be used as the minimum price or pricing basis. If such period exceeds one year, a new asset valuation shall be conducted.

ANNEXES TO THE ASSET VALUATION REPORT

1. ASSETS VALUATION BREAKDOWN;
2. PRIMARY OWNERSHIP CERTIFICATES RELATED TO THE APPRAISED TARGET;
3. COPY OF THE BUSINESS LICENCE OF THE APPRAISED ENTITY;
4. ANNOUNCEMENT ON THE FILING OF THE ASSET VALUATION INSTITUTION AND REGISTRATION CARDS OF THE PROFESSIONAL QUALIFICATION CERTIFICATES OF THE SIGNING ASSET VALUERS;
5. COPY OF THE BUSINESS LICENCE OF THE ASSET VALUATION INSTITUTION;

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. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors, Supervisors and the chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executive of the Company and/or their respective close associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Director/Supervisor	Nature of interest	Number of shares of the relevant corporation (including associated corporation) held[1]	Approximate percentage of shareholdings in the total Share capital	Approximate percentage of shareholdings in the relevant class of Shares of the Company
Mr. Lyu Yaoneng[2]	Interest of controlled corporation	204,000,000 Domestic Shares (L)	38.25%	51%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Domestic Shares.

(2) Jujiang Holdings is held as to approximately 51.33% by Mr. Lyu Yaoneng. Mr. Lyu Yaoneng, an executive Director, controls more than one-third of the voting rights of Jujiang Holdings and is deemed to be interested in its interest in the Company by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests and short positions of the Substantial Shareholders and other persons in the Shares and underlying Shares

As at the Latest Practicable Date, so far as the Directors, Supervisors and the chief executive of the Company are aware of, the interests and short positions of the substantial shareholders of the Company or other persons (other than the Directors, Supervisors or chief executive of the Company) in the Shares and underlying shares of the Company, which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Shareholders	Nature of interest	Number of shares held(1)	Approximate percentage of shareholdings in the relevant class of Shares of the Company(2)	Approximate percentage of shareholdings in the total Share capital(3)
Jujiang Holdings(4)	Beneficial owner	204,000,000 Domestic Shares (L)	51%	38.25%
Ms. Shen Hongfen(5)	Interest of spouse	204,000,000 Domestic Shares (L)	51%	38.25%
Jujiang Equity Investment(6)	Beneficial owner	196,000,000 Domestic Shares (L)	49%	36.75%
Chan Ka Wo	Beneficial owner	9,480,000 H Shares (L)	7.1%	1.78%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Domestic Shares/H Shares.

(2) The calculation is based on the percentage of shareholding in the Domestic Shares/H Shares.

(3) The calculation is based on the total number of 533,360,000 Shares in issue.

(4) Jujiang Holdings is directly interested in approximately 38.25% in the Company.

(5) Ms. Shen Hongfen (沈洪芬), the spouse of Mr. Lyu Yaoneng, is deemed to be interested in Mr. Lyu Yaoneng's interest in the Company by virtue of the SFO.

(6) Jujiang Equity Investment is directly interested in approximately 36.75% in the Company.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any other interests and short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to 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 pursuant to section 336 of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interests in any assets which have been, since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up, 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.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, whether directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered, or proposed to enter, into a service contract with any members of the Group which was not expiring or determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates (as defined in the Listing Rules) had any interest in any business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules.

8. QUALIFICATION AND CONSENT OF EXPERT

(a) Qualification of expert

The following is the qualification of the expert who has given opinion or advice, which is included in this circular:

Name	Qualification
Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.*	Independent PRC asset valuer

(b) Consent of expert

As at the Latest Practicable Date, the aforementioned expert has given and has not withdrawn its written consent as to the issue of this circular with the inclusion of its letter, report and/or references to its name in the form and context in which they appear.

(c) Interests of expert

As at the Latest Practicable Date, the aforementioned expert (a) did not have any shareholding interests in any member of the Group nor the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) did not have any direct or indirect interest in any assets which have been, since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up, 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.

9. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried by the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date:

(1) the Equity Transfer Agreement; and

(2) the Termination Agreement.

10. GENERAL

Registered Office:	No. 669 Qingfeng South Road (South) Tongxiang City Zhejiang Province PRC
Head office and principal place of business in the PRC:	No. 669 Qingfeng South Road (South) Tongxiang City Zhejiang Province PRC
Principal place of business in Hong Kong:	28/F Henley Building 5 Queen's Road Central Central Hong Kong
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Authorised representatives:	Mr. Lyu Yaoneng Mr. Jin Shuigen
Company secretary:	Mr. Jin Shuigen

11. MISCELLANEOUS

This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over its Chinese text unless otherwise specified.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jujiang.cn) for a period of 14 days from the date of this circular:

(1) the Equity Transfer Agreement;

(2) the Termination Agreement;

(3) the Valuation Report as set out in Appendix II to this circular; and

(4) the written consent referred to in the paragraph headed "8. Qualification and Consent of Expert" in this appendix.