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## **Zhongshen Jianye Holding Limited**

**中深建業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2503)**

**(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND  
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF  
TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE  
HELD ON THE RECORD DATE  
ON A NON-UNDERWRITTEN BASIS**

**Placing Agent**



**貝塔國際證券**

BETA INTERNATIONAL SECURITIES

### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each by the creation of an additional 3,000,000,000 unissued Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective upon passing of such ordinary resolution on the date of the EGM.

## **PROPOSED RIGHTS ISSUE**

The Board proposes to allot and issue 2,288,567,396 Rights Shares by way of the Rights Issue on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.15 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

Assuming that there will be no change in the total issued share capital of the Company on or before the Record Date and full acceptance of the Rights Issue, the maximum net proceeds from the Rights Issues (after deducting the estimated expenses, including but not limited to the commission payable to the Placing Agent, if any) are estimated to be approximately HK\$341.3 million.

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

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

## **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is conditional on Independent Shareholders' approval at the EGM in accordance with the requirements of Rule 7.19A of the Listing Rules.

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

As of the date of this announcement, the Company does not have any controlling Shareholder as defined under the Listing Rules. However, Mr. Sang and Mr. Xian, both an executive Director, are interested in 284,172,240 and 71,040,560 Shares held by Zhongshen Hengtai and Zhongshen Chitai, respectively. Accordingly, Mr. Sang, Mr. Xian and their associates are required to abstain from voting in favour of the proposed resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. Save for the above, no Shareholders or Directors are required to abstain from voting in favour of the proposed resolution(s) approving the Rights Issue and the transactions contemplated thereunder.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own, and there is no cumulative theoretical dilution effect. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

## **GENERAL**

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to (i) whether the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote on the resolution(s) relating to the Rights Issue, taking into account the recommendations from the Independent Financial Adviser.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder, and as to voting action therefor.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder.

A circular including, among other things, (i) further information on the Increase in Authorised Share Capital and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before Thursday, 30 April 2026 in compliance with the Listing Rules.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents to the Qualifying Shareholders, which contain, among other things, details of the Rights Issue.

The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

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

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

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

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

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.**

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each by the creation of an additional 3,000,000,000 unissued Shares of HK\$0.01 each. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective upon passing of such ordinary resolution on the date of the EGM.

In order to accommodate the Rights Issue and provide the Company with greater flexibility to raise funds in the future, the Board considers the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

## **PROPOSED RIGHTS ISSUE**

The Board proposes to allot and issue 2,288,567,396 Rights Shares on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.15 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

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

Further details of the Rights Issue are set out below:

### **Issue statistics**

Basis of the Rights Issue:	Two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.15 per Rights Share
Number of Shares in issue as at the date of this announcement:	1,144,283,698 Shares
Maximum number of Rights Shares:	Up to 2,288,567,396 Rights Shares (assuming there is no change in the issued share capital of the Company on or before the Record Date)
Maximum aggregate nominal value of the Right Shares:	HK\$22,885,673.96 (assuming there is no change in the issued share capital of the Company on or before the Record Date)
Maximum total number of Shares in issue upon completion of the Rights Issue:	3,432,851,094 Shares (assuming there is no change in the issued share capital of the Company on or before the Record Date and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue:	Up to approximately HK\$343.3 million before expenses (assuming there is no change in the issued share capital of the Company on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)
Net proceeds from the Rights Issue:	Up to approximately HK\$341.3 million (assuming there is no change in the issued share capital of the Company on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)
Net Subscription Price per Rights Share:	Approximately HK\$0.149 (assuming there is no change in the issued share capital of the Company on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)

Assuming there is no change in the issued capital of the Company on or before the Record Date, 2,288,567,396 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as at the date of this announcement; and (ii) 66.7% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion (assuming the Rights Issue is fully subscribed).

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue, which confer any right to subscribe for, convert or exchange into Shares.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must: (i) be registered on the registers of members of the Company at the close of business on the Record Date; and (ii) not be the Non-Qualifying Shareholders.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 21 May 2026.

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 12 May 2026 to Monday, 18 May 2026 (both days inclusive) to determine whether the Shareholders are eligible to attend and vote at the EGM, during which period no transfer of Shares will be registered.

The register of members of the Company will be closed from Friday, 22 May 2026 to Friday, 29 May 2026 (both days inclusive) to determine the entitlements to the Rights Issue, during which period no transfer of Shares will be registered.

### **Subscription Price**

The Subscription Price of HK\$0.15 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 33.63% to the closing price of HK\$0.226 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 35.18% to the average closing price of HK\$0.231 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 38.65% to the average closing price of HK\$0.245 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 14.45% to the theoretical ex-rights price of approximately HK\$0.175 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.226 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 72.22% to the consolidated net asset value per Share as at 31 December 2025 of approximately RMB0.49 or equivalent to approximately HK\$0.54 (based on the audited consolidated net asset value attributable to the owners of the Company as at 31 December 2025 of approximately RMB555.8 million as disclosed in the annual results announcement of the Company for the year ended 31 December 2025 and 1,144,283,698 Shares in issue as at the date of this announcement); and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 23.45%, represented by a discount of the theoretical diluted price of approximately HK\$0.177 per Share to the benchmarked price of approximately HK\$0.231 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange as at date of this announcement of HK\$0.219 per Share; and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days preceding the date of this announcement of approximately HK\$0.231 per Share).

The Subscription Price was arrived at after an arm's length negotiation, based on, among other things, the prevailing market price of the Shares, the Group's financial conditions and the reasons for and benefits of the Rights Issue as discussed in the section headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this announcement.

Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its existing shareholding in the Company on the Record Date. The Directors (excluding the independent non-executive Directors whose opinion will be set out in the circular of the Company after taking into account the advice from the Independent Financial Adviser) consider that the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Status of the Rights Shares**

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

## **Basis of provisional allotments**

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

## **Rights of the Overseas Shareholders (if any)**

The Prospectus Documents are not intended to be, have not been, and will not be registered or filed with under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue.

According to the register of members of the Company as of the date of this announcement, there is no Overseas Shareholder. As such, based upon the register of members of the Company as of the date of this announcement, there is no Non-Qualifying Shareholder.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors will make inquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholder on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder. In such circumstances, the Rights Issue will not be extended to any such Non-Qualifying Shareholder.

It is the responsibility of the Shareholders, including the Overseas Shareholders, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on a pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Compensatory Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Party(ies).

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, the Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

#### **No fractional entitlement**

On the basis of the entitlement to subscribe two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

#### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully paid forms will be in the board lots of 4,000 Rights Shares.

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

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms, will be accepted as eligible securities by HKSCC for deposit, clearance, and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

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

## **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully paid forms will be subject to the payment of (i) stamp duty, (ii) the Stock Exchange trading fee, (iii) SFC transaction levy, and (iv) any other applicable fees and charges in Hong Kong.

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

## **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Friday, 3 July 2026.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched by ordinary post on or before Friday, 3 July 2026 at the respective Shareholders' own risk.

## **Non-underwritten basis**

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

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements on a best effort basis. Any Unsubscribed Rights Shares that remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

The Cayman legal adviser of the Company have confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

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

#### **Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements**

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

On 26 March 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 25 June 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

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

### **The Placing Agreement**

Principal terms of the Placing Agreement are summarised below:

Date: : 26 March 2026 (after trading hours)

Issuer : The Company

Placing Agent : Beta International Securities Limited

The Placing Agent is a licensed corporation to carry out business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are not interested in any Shares and are Independent Third Parties.

Placing commission : Subject to completion of the Placing, the Company shall pay a placing commission of 0.5% of the amount which is equal to the placing price multiplied by the total number of the Unsubscribed Rights Shares successfully placed by the Placing Agent.

Placing Price : Not less than HK\$0.15 per Unsubscribed Rights Share

Placing Period : A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of Unsubscribed Rights Shares (which is expected to be Thursday, 18 June 2026) and ending on 4:00 p.m. on Thursday, 25 June 2026 (both days inclusive), or such other date as the Company and the Placing Agent may agree in writing.

- Placees : The placees shall be institutional, professional and other investors. The Placing Agent shall ensure that the placees (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties and not acting in concert with the Placing Agent and its concert parties. For the avoidance of doubt, no placee will become a substantial Shareholder.
- Ranking of the placed Unsubscribed Rights Shares : The placed Unsubscribed Rights Shares (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:
- (i) the Rights Issue having become unconditional;
  - (ii) the Company's warranties, representation and undertakings contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;
  - (iii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Rights Shares and such approval and permission not subsequently revoked prior to the completion of the Placing;
  - (iv) none of the Placees becoming a substantial shareholder of the Company as a result of the Placing;
  - (v) the Company obtaining all necessary consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable; and
  - (vi) the passing of all necessary resolutions at the EGM to consider and approve, among others, the Rights Issue and the transactions contemplated thereunder.

Save for condition (ii) above which can be waived by the Placing Agent, none of the above conditions can be waived. In the event that the above conditions precedent have not been satisfied or waived by the Placing Agent on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination)

## Termination

- : The Placing Agent may terminate the Placing Agreement by notice in writing to the Company with immediate effect at any time between the date of the Placing Agreement and at any time prior to the Latest Time for Termination upon the occurrence of the following events:
- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the sole and absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the sole and absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing of the Unsubscribed Rights Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;

- (iii) any material change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Unsubscribed Rights Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (iv) any suspension of dealings in the Shares on the Stock Exchange for any period of seven consecutive trading days or more (other than as a result of announcing the Placing Agreement);
- (v) any litigation or claim of any third party being threatened or instigated against any member of the Group which is material in the context of the Placing;
- (vi) an order is made or a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group;
- (vii) any demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity or any event, act or omission which gives rise to or is likely to give rise to any material liability of the Company;
- (viii) any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and/or liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) which in the sole and absolute opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

- (ix) the Company commits any material breach of (or where the material breach is capable of being remedied, that breach has not been remedied within a reasonable time) or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (x) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its absolute opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

The terms of the Placing Agreement were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate for rights issues in the market, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of the Placing Agreement are fair and reasonable and on normal commercial terms.

The Placing Agent confirms that it is an Independent Third Party. The Placing Agent will, on a best efforts basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties to subscribe for all (or as many as possible) of the Unsubscribed Rights Shares.

If all or any of the Unsubscribed Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders. Any Unsubscribed Rights Shares that are not placed by the Placing Agent will not be issued by the Company. As at the date of this announcement, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company. As such, the Company considers that the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Company has put in place the above Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions:

- (a) the Increase in Authorised Share Capital having become effective;
- (b) the Rights Issue having been approved by the Independent Shareholders at the EGM;
- (c) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding-Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (d) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully paid forms) by no later than the first day of their dealings;
- (f) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (g) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

As at the date of this announcement, none of the conditions has been fulfilled. None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 5:00 p.m. on Thursday, 2 July 2026 (or such later date as the Company may determine), the Rights Issue will not proceed.

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

## **The Irrevocable Undertakings**

As of the date of this announcement, (i) Zhongshen Hengtai, which is 100% beneficially owned by Mr. Sang, holds 284,172,240 Shares, representing approximately 24.83% of the total issued share capital of the Company as at the date of this announcement; (ii) Zhongshen Chitai, which is 100% beneficially owned by Mr. Xian, holds 71,040,560 Shares, representing approximately 6.21% of the total issued share capital of the Company as at the date of this announcement; (iii) Huajian Investment, which is 100% beneficially owned by Mr. Wang Yan, holds 270,502,674 Shares, representing approximately 23.64% of the total issued share capital of the Company as at the date of this announcement; and (iv) Huajian Advisory, which is 100% beneficially owned by Mr. Sang Haifeng, holds 115,929,718 Shares, representing approximately 10.13% of the total issued share capital of the Company as at the date of this announcement.

In accordance with the terms of the Irrevocable Undertakings, Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment and Huajian Advisory have provided irrevocable and unconditional undertakings to the Company that:

- (a) Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment and Huajian Advisory will either subscribe for or procure subscriptions of 568,344,480 Rights Shares, 142,081,120 Rights Shares, 541,005,348 Rights Shares, and 231,859,436 Rights Shares, respectively, which represents their respective full entitlements to the provisional allotment under the Rights Issue;
- (b) Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment and Huajian Advisory agree not to dispose of, or make arrangements to dispose of, any of the Shares held by them as at the date of the Irrevocable Undertakings before the Record Date; and
- (c) Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment and Huajian Advisory will submit or ensure the submission of applications for 568,344,480 Rights Shares, 142,081,120 Rights Shares, 541,005,348 Rights Shares, and 231,859,436 Rights Shares, which represent the number of Rights Shares provisionally allotted (on a nil-paid basis) to them under the Rights Issue, to the Registrar.

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

The Group is principally engaged in the provision of construction services in the PRC. The Group is a comprehensive general contracting construction enterprise with first-grade qualifications in building construction general contracting, municipal and public construction general construction, foundation construction specialised contracting, building electrical and mechanical installation and engineering specialised contracting, and building renovation and decoration construction specialised contracting. The Group serves customers including government departments, SOEs, and listed and private enterprises on a project-by-project basis. The Group intends to further strengthen its market position in construction industry in the PRC including but not limited to strengthening the financial position by the Rights Issue, which will enable the Company to expand its capital base so that it is able to undertake more sizeable projects.

As disclosed in the annual result announcement (the “**2025 Annual Result Announcement**) of the Company for the year ended 31 December 2025 (“**FY2025**”) dated 17 March 2026, the revenue of the Group decreased by approximately 43.3% from approximately RMB750.6 million for the year ended 31 December 2024 (“**FY2024**”) to approximately RMB425.3 million for FY2025. Such decrease was mainly attributable to (i) the decrease in number of construction projects in FY2025 as compared to that in FY2024; and (ii) the decrease in revenue recognised from certain projects which were completed or approaching the later stage of development in FY2025. The Group’s gross profit also decreased by approximately 60.9% from approximately RMB41.3 million for FY2024 to approximately RMB16.2 million for FY2025, primarily due to the revenue adjustments on certain projects following final settlement, additional raw material costs incurred on a project and the commencement of certain new projects during the year, which had comparatively lower gross profit margins of approximately 4.5% during the year. Such decrease in revenue and gross profit led to the Group’s turnaround from a profit of approximately RMB1.9 million for FY2024 to a loss of approximately RMB36.5 million for FY2025.

As a result of the dynamic nature of the Group’s underlying business and the Group’s loss-making performance, the Group recorded net cash used in operating activities of approximately RMB168.3 million and RMB164.2 million for FY2024 and FY2025, respectively. As at 31 December 2025, the Group had trade and other payables of approximately RMB944.7 million and bank borrowings of approximately RMB69.6 million as current liabilities. Although the Group had cash and bank balances of approximately RMB58.6 million as at 31 December 2025, the aforesaid cash balance is required to fund its existing ongoing projects and represent unutilised proceeds from previous fundraising activities. As at the date of this announcement, the Group has 146 ongoing contract, of which five major projects (as detailed below) would require additional funding of approximate RMB200.0 million to support their cash flows within the next six months. Therefore, the Group has an immediate need for financial resources to settle the liabilities.

For the Group's projects which are in their initial/early stage as at the date of this announcement, five of which require external capital funding from the Rights Issue. These five existing projects have contract sum of approximately RMB504.1 million in aggregate. For these projects, the advance payments (if any) are not sufficient to cover the upfront cost to be incurred within the early stage which are normally first three to six months from the respective commencement dates of the projects, depending on the expected duration of those projects. The details of these projects are as follows:

Project type	Location	Type of construction projects	Total contract value <i>RMB million</i>	Expected/Actual commencement date	Expected completion date
1. Residential buildings (和源府項目總承包工程)	HuaiBei, Anhui Province	Construction engineering	350.0	April 2026	November 2028
2. Landscaping (中心南片區重大產業配套工程)	Shenzhen, Guangdong Province	Municipal and public construction	59.4	April 2026	December 2026
3. Infrastructure and public facilities (公明排洪渠流域排水管網整治完善工程)	Shenzhen, Guangdong Province	Municipal and public construction	46.8	June 2026	April 2027
4. Infrastructure and public facilities (龍華區公共機構(建築)供水設施)	Shenzhen, Guangdong Province	Municipal and public construction	31.5	October 2025	May 2027
5. Landscaping (深圳羅湖區湖貝項目)	Shenzhen, Guangdong Province	Municipal and public construction	16.4	October 2025	June 2026

In view of the upfront cost which is project-related expenses, such as cost of materials and subcontracting charges, the Directors consider to rely only on future cash flows from other existing or completed projects to finance such upfront costs will hinder the Group's business growth as the Group's internal resources are limited. Such upfront costs are expected to continue even after the first work-in-progress payment is made by the customers. As a result, the Group may experience temporary net cash outflows in the ordinary course of our business operation. For instance, the Group recorded net cash used in operating activities of approximately RMB168.3 million and RMB164.2 million for FY2024 and FY2025, respectively. Therefore, in view of the above and other factors such as the number of sizeable projects the Group is going to take up is expected to increase along with the Group's expansion plan and additional time may inevitably be required for the customers to certify a larger scale of works, the Directors consider that there is no assurance that the Group can generate enough cash flows to support the business operation and growth at any point in time.

As a large amount of costs needs to be paid at the commencement of the projects to ensure effective project execution which is under normal business operation and the industry norm, the Directors are of the view that the Rights Issue is fair and reasonable as it represents an opportunity for the Company to raise additional funding for the business operations of the Group without any interest burden and strengthen the Group's financial position.

Further, the Group must maintain sufficient cash reserves for essential expenditures to support ongoing operations and meet compliance obligations. These expenditures include, but are not limited to, legal and professional fees, Directors' remuneration, and staff costs. With reference to the 2025 Annual Result Announcement, the Group recorded administrative expenses of approximately RMB40.0 million and RMB42.4 million for FY2024 and FY2025, respectively. Consequently, the Group seeks to raise additional capital to address its immediate financial commitments and working capital needs.

The gross proceeds from the Rights Issue are expected to be approximately HK\$343.3 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$341.3 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$225.3 million, representing approximately 66.0% of the net proceeds, for the capital needs and cash flow of certain projects that have been awarded to the Group recently. The Group expects to fully utilised the net proceeds in this regard by the end of 2027;
- (ii) approximately HK\$68.2 million, representing approximately 20.0% of the net proceeds, for settlement of debts including trade and other payables and accruals. The Group expects to fully utilised the net proceeds in this regard by the end of 2026; and
- (iii) approximately HK\$47.8 million, representing approximately 14.0% of the net proceeds, for general working capital of the Group including staff cost, rental expenses, legal and professional fees and other operating expenses. The Group expects to fully utilised the net proceeds in this regard by the end of 2027.

In the event that there is an under-subscription of the Rights Issue and the Placing (as the case may be), the net proceeds of the Rights Issue and the Placing (as the case may be) will be allocated and utilised in proportion to the above uses.

### **Fundraising alternatives**

The Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

The Board is of the view that while debt financing will increase the gearing ratio of the Group and having considered the prevailing interest rate environment, debt financing will increase the ongoing interest expenses of the Group which may in turn affect the profitability of the Group.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

The Directors (other than the members of the Independent Board Committee whose view will be set out in the circular after reviewing and considering the advice from the Independent Financial Adviser) are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above, the Directors (other than the members of the Independent Board Committee whose view will be set out in the circular after reviewing and considering the advice from the Independent Financial Adviser) consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has conducted the following equity fundraising activities in the past twelve months immediately prior to the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
2 July 2025 and 3 July 2025	Subscription of 123,552,000 new Shares at the subscription price of HK\$0.61 under general mandate	Approximately HK\$75.1 million	(i) Approximately HK\$52.7 million for the capital needs and cash flow of certain projects; and (ii) approximately HK\$22.4 million for general working capital	Fully utilised as intended

Save as disclosed above, the Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the date of this announcement.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, which are for illustration purposes only, (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming all Shareholders have taken up their entitled Rights Shares in full; (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than those pursuant to the Irrevocable Undertakings) have taken up any of their entitlement to Rights Shares with all the Placing Shares placed to Independent Third Parties under the Placing; and (iv) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than those pursuant to the Irrevocable Undertakings) have taken up any of their entitlement to Rights Shares and none of the Unsubscribed Shares are placed to the independent places (assuming there are no changes in the issued share capital of the Company on or before the Record Date):

	As at the date of this announcement		Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than those pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares are placed to the independent places		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than those pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares and none of the Unsubscribed Shares are placed to the independent places	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Zhongshen Hengtai (Notes 1 & 6)	284,172,240	24.83%	852,516,720	24.83%	852,516,720	24.83%	716,669,782	29.90%
Zhongshen Chitai (Note 2)	71,040,560	6.21%	213,121,680	6.21%	213,121,680	6.21%	213,121,680	8.89%
Huajian Investment (Notes 3 & 6)	270,502,674	23.64%	811,508,022	23.64%	811,508,022	23.64%	716,669,782	29.90%
Huajian Advisory (Note 4)	115,929,718	10.13%	347,789,154	10.13%	347,789,154	10.13%	347,789,154	14.51%
Huajian Technology Limited (Note 5)	16,539,306	1.45%	49,617,918	1.45%	16,539,306	0.48%	16,539,306	0.69%
Existing public Shareholders	386,099,200	33.74%	1,158,297,600	33.74%	386,099,200	11.25%	386,099,200	16.11%
The placees	—	—	—	—	805,277,012	23.46%	—	—
<b>Total</b>	<b>1,144,283,698</b>	<b>100%</b>	<b>3,432,851,094</b>	<b>100%</b>	<b>3,432,851,094</b>	<b>100%</b>	<b>2,396,888,904</b>	<b>100%</b>

- As at the date of this announcement, Zhongshen Hengtai is 100% beneficially owned by Mr. Sang, the Chairman of the Company and an executive Director.
- As at the date of this announcement, Zhongshen Chitai is 100% beneficially owned by Mr. Xian, an executive Director.
- As at the date of this announcement, Huajian Investment is 100% beneficially owned by Mr. Wang Yan.

4. As at the date of this announcement, Huajian Advisory is 100% beneficially owned by Mr. Sang Haifeng.
5. As at the date of this announcement, Huajian Technology Limited is 100% beneficially owned by Mr. Wu Haibin.
6. The total number of Rights Shares to be subscribed by Zhongshen Hengtai and Huajian Investment will be scaled down to a level which will not trigger a general offer obligation under the Takeovers Code as a result of the Rights Issue.

## **EXPECTED TIMETABLE OF THE RIGHTS ISSUE**

The expected timetable for the Increase in Authorised Share Capital, the Rights Issue and the Placing set out below is for indicative purposes only and has been prepared assuming that all the conditions of the Rights Issue and the Placing will be fulfilled.

<b>Events</b>	<b>Date and Time</b>
Expected despatch date of circular together with notice and proxy forms in relation to the EGM for the Increase in Authorised Share Capital and the Rights Issue . . . . .	Thursday, 30 April 2026
Latest time for lodging transfers of the Shares to qualify for attendance and voting at the EGM . . . . .	4:30 p.m. on Monday, 11 May 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM . . . . .	Tuesday, 12 May 2026 to Monday, 18 May 2026 (both days inclusive)
Latest time for lodging proxy forms for the EGM . . . . .	3:00 p.m. on Saturday, 16 May 2026
Record date for attendance and voting at the EGM . . . . .	Monday, 18 May 2026
Expected date and time of the EGM to approve the Increase in Authorised Share Capital and the Rights Issue . . . . .	3:00 p.m. on Monday, 18 May 2026
Announcement of poll results of the EGM . . . . .	Monday, 18 May 2026
Effective date of the Increase in Authorised Share Capital . . . . .	Monday, 18 May 2026
Register of members of the Company re-opens . . . . .	Tuesday, 19 May 2026

**The following events are conditional on the fulfilment of the conditions relating to the implementation of the Rights Issue and therefore the dates are tentative only:**

<b>Events</b>	<b>Date and Time</b>
Last day of dealings in the Shares on a cum-rights basis . . . . .	Tuesday, 19 May 2026
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue . . . . .	Wednesday, 20 May 2026
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue . . . . .	4:30 p.m. on Thursday, 21 May 2026
Closure of register of members of the Company for determination of entitlements to the Rights Issue . . . . .	Friday, 22 May 2026 to Friday, 29 May 2026 (both days inclusive)
Record Date for the Rights Issue . . . . .	Friday, 29 May 2026
Register of members of the Company re-opens . . . . .	Monday, 1 June 2026
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only. . . . .	Tuesday, 2 June 2026
First day of dealings in nil-paid Rights Shares . . . . .	Thursday, 4 June 2026
Latest time for splitting of PAL . . . . .	4:30 p.m. on Monday, 8 June 2026
Last day of dealings in nil-paid Rights Shares . . . . .	Thursday, 11 June 2026
Latest time for acceptance and payment for the Rights Shares . . . . .	4:00 p.m. on Tuesday, 16 June 2026
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements . . . . .	Wednesday, 17 June 2026
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent . . . . .	Thursday, 18 June 2026

<b>Events</b>	<b>Date and Time</b>
Latest time for placing of Unsubscribed Rights Shares by the Placing Agent . . . . .	Thursday, 25 June 2026
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company . . . . .	Thursday, 2 July 2026
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place . . . . .	Friday, 3 July 2026
Despatch of refund cheques, if any, if the Rights Issue is terminated . . . . .	Friday, 3 July 2026
Commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Monday, 6 July 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any) . . . . .	Friday, 10 July 2026

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

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

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected timetable of the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

## **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the total issued share capital of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is conditional on Independent Shareholders’ approval at the EGM in accordance with the requirements of Rule 7.19A of the Listing Rules.

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

As of the date of this announcement, the Company does not have any controlling Shareholder as defined under the Listing Rules. However, Mr. Sang and Mr. Xian, both an executive Director, are interested in 284,172,240 and 71,040,560 Shares held by Zhongshen Hengtai and Zhongshen Chitai, respectively. Accordingly, Mr. Sang, Mr. Xian and their associates are required to abstain from voting in favour of the proposed resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. Save for the above, no Shareholders or Directors are required to abstain from voting in favour of the proposed resolution(s) approving the Rights Issue and the transactions contemplated thereunder.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own, and there is no cumulative theoretical dilution effect. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

As at the date of this announcement, the Company has no treasury shares.

## **GENERAL**

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to (i) whether the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote on the resolution(s) relating to the Rights Issue, taking into account the recommendations from the Independent Financial Adviser.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder, and as to voting action therefor.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder.

A circular including, among other things, (i) further information on the Increase in Authorised Share Capital and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before Thursday, 30 April 2026 in compliance with the Listing Rules.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents to the Qualifying Shareholders, which contain, among other things, details of the Rights Issue.

The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

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

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

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

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

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under to the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Zhongshen Jianye Holding Limited (stock code: 02503), a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Completion”	completion of the Rights Issue and the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huajian Advisory”	Huajian Advisory Limited (華建諮詢有限公司), a company incorporated in BVI with limited liability and is solely and beneficially owned by Mr. Sang Haifeng as at the date of this announcement
“Huajian Investment”	Huajian Investment Limited (華建投資有限公司), a company incorporated in BVI with limited liability and is solely and beneficially owned by Mr. Wang Yan as at the date of this announcement
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 unissued Shares
“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors, established by the Board for the purpose of advising the Independent Shareholders on the Rights Issue and the transactions contemplated thereunder and the voting action therefor
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, appointed as independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the Rights Issue and the transactions contemplated thereunder and the voting action therefor
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Irrevocable Undertakings”	the irrevocable undertakings given by Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment and Huajian Advisory in favour of the Company as described in the paragraph headed “The Irrevocable Undertakings”

“Last Trading Day”	25 March 2026, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 16 June 2026 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Friday, 26 June 2026 (or such other time or date as may be agreed between the Placing Agent and the Company), being the latest time to terminate the Placing Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Sang”	Mr. Sang Xianfeng (桑先鋒), the chairman of the Company and an executive Director
“Mr. Xian”	Mr. Xian Yurong (冼玉榮), an executive Director
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Compensatory Arrangements
“No Action Shareholder(s)”	the Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong

“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any institutional, professional or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent Placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Beta International Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 26 March 2026 (after trading hours) entered into between the Company and the Placing Agent in respect of the Compensatory Arrangements, pursuant to which the Placing Agent has agreed to procure Placees on a best effort basis to subscribe for the Unsubscribed Rights Shares
“Placing Period”	the period from Thursday, 18 June 2026 up to 4:00 p.m. Thursday, 25 June 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
“Placing Price”	the placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	Tuesday, 2 June 2026 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue

“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Friday, 29 May 2026, or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of two (2) Rights Shares for every one (1) Share in issue on the Record Date, being 2,288,567,396 Shares based on the Company’s issued share capital as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.15 per Rights Share
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)

“Zhongshen Chitai”	Zhongshen Chitai Capital Limited (中深持泰資本有限公司), a company incorporated in the BVI with limited liability and is solely and beneficially owned by Mr. Xian as at the date of this announcement
“Zhongshen Hengtai”	Zhongshen Hengtai Capital Limited (中深亨泰資本有限公司), a company incorporated in the BVI with limited liability and is solely and beneficially owned by Mr. Sang as at the date of this announcement
“%”	per cent.

By order of the Board  
**Zhongshen Jianye Holding Limited**  
**Sang Xianfeng**  
*Chairman and Executive Director*

Hong Kong, 26 March 2026

*As at the date of this announcement, the executive Directors of the Company are Mr. Sang Xianfeng (Chairman) and Mr. Xian Yurong, and the independent non-executive Directors of the Company are Ms. Liu Zhihong, Mr. Zeng Qingli and Mr. Xie Huagang.*

**In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.**