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

If you have sold or transferred all your securities in Zhongshen Jianye Holding Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

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)

(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; (II) 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; AND (III) NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent

貝塔國際證券
BETA INTERNATIONAL SECURITIES

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

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

A notice convening the EGM to be held at 8/F, Block B, Building 4, Huaqiang Creative Industrial Park, Guangming Street, Guangming District, Shenzhen, the PRC, on Monday, 18 May 2026 at 3:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for use at the EGM is enclosed. If you do not intend or are unable to attend the EGM in person and wish to appoint a proxy/proxies to attend and vote on your behalf, you are advised to read the notice and to complete and return the accompanying proxy form for use at the EGM in accordance with the instructions printed thereon to Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 3:00 p.m. on Saturday, 16 May 2026) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

A letter from the Board is set out on pages 12 to 37 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on page 38 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 39 to 66 of this circular.

It should be noted that dealings in the Rights Shares in their nil-paid form will take place from Thursday, 4 June 2026 to Thursday, 11 June 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled on or before 5:00 p.m. on Thursday, 2 July 2026 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and/or any dealings in the Rights Shares in their nil-paid form between Thursday, 4 June 2026 to Thursday, 11 June 2026 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

The Rights Issue is on a non-underwritten basis. The Cayman legal adviser of the Company has confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. Nevertheless, the Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in this circular. If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

30 April 2026

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

"acting in concert"	has the same meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement of the Company dated 26 March 2026 in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue and the Placing
"associates"	has the meaning ascribed thereto under 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 Act"	the Companies Act, Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
"Companies (Winding-Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding-Up and Miscellaneous Provisions) Ordinance, Chapter 32 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 Latest Practicable Date
"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 Latest Practicable Date
"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 voting
"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 executed on 26 March 2026 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"	26 March 2026, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of the Announcement
"Latest Practicable Date"	27 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"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 Shareholders 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 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
"Placing Shares"	the Unsubscribed Rights Shares to be placed by the Placing Agent on a best effort basis pursuant to the terms and conditions of the Placing Agreement
"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 circular, 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(s)

"Qualifying Shareholders"	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 Latest Practicable Date
"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
"Shareholders"	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 Latest Practicable Date
"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 Latest Practicable Date
"%"	per cent.

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.

Events	**Date and Time**
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:

Events	Date and Time
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

Events	Date and Time
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 circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this circular are indicative only and may be extended 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" 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.

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)

Executive Directors:
Mr. Sang Xianfeng *(Chairman)*
Mr. Xian Yurong

Independent Non-Executive Directors:
Ms. Liu Zhihong
Mr. Zeng Qingli
Mr. Xie Huagang

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Headquarters and Principal place of Business in PRC:
8/F, Block B, Building 4
Huaqiang Creative Industrial Park
Guangming Street
Guangming District
Shenzhen
PRC

Principal place of Business in Hong Kong:
Room 1204, 12/F
C C Wu Building
302–308 Hennessy Road
Wan Chai, Hong Kong

30 April 2026

To the Shareholders

Dear Sir or Madam,

(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(II) 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;
AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement dated 26 March 2026 in relation to the Increase in Authorised Share Capital, the Rights Issue and the Placing. The purpose of this circular is to provide you with, among other things, (i) further details of the Increase in Authorised Share Capital, the Rights Issue and the Placing; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM.

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 Latest Practicable Date:	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 Latest Practicable Date; 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.

As at the Latest Practicable Date, the Company had 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 58.33% to the closing price of HK$0.360 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

(ii) a discount of approximately 31.51% to the closing price of HK$0.219 per Share as quoted on the Stock Exchange as at the Last Trading Day;

(iii) a discount of approximately 33.98% to the average closing price of HK$0.227 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 36.95% to the average closing price of HK$0.238 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 13.29% to the theoretical ex-rights price of approximately HK$0.173 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.219 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) 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 the Announcement); and

(vii) 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 the 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 the 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 circular.

The Directors consider that it is fair and the reasonable to set the Subscription Price at a discount to the prevailing market price and the consolidated net asset value per Share as illustrated above, taking into consideration the recent decreasing trend of the market price per Share. During the six months period prior to and including the Last Trading Day, the highest closing price per Share was HK$0.79 on 17 and 18 November 2025 and showed a general downward trend to HK$0.219 on the Last Trading Day, representing a decrease of approximately 72.3%. The Board believes that setting the Subscription Price at or close to the prevailing market level would be less likely to attract sufficient subscriptions from existing Shareholders to raise the intended proceeds.

In addition, during the six months prior to and including the Last Trading Day, the Company's average daily trading volume (i.e., 5,724,700 Shares, calculated based on the total trading volume divided by the total number of days during the six months prior to and including the Last Trading Day) represented merely approximately 0.5% of the total issued share capital of the Company, which implied thin trading liquidity of the Shares in market.

Under the prevailing market circumstances and economic sentiment and with reference to (i) the recent market performance of the Shares and the Company's average daily trading volume during the six months prior to and including the Last Trading Day as illustrated above, which indicated a lack of liquidity and demand for the Shares; (ii) the recent business performance and financial position of the Group, especially the Group's loss-making position for the year ended 31 December 2025 as compared to the profit for the year ended 31 December 2024; and (iii) the theoretical dilution effect of the Rights Issue does not result in a theoretical dilution effect of 25% or more, the Directors consider that it would be commercially reasonable to set a subscription price lower than the prevailing market price and the consolidated net asset value per Share as illustrated above in order to increase the attractiveness of the Rights Issue and motivate the Qualifying Shareholders and investors to engage in the Rights Issue.

Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors 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 Latest Practicable Date, there is no Overseas Shareholder. As such, based upon the register of members of the Company as of the Latest Practicable Date, there is no Non-Qualifying Shareholder.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries regarding the legal restrictions under the laws of the relevant place(s) and the requirements of the relevant regulatory body(ies) or stock exchange(s). 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, 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 has confirmed that there are no applicable statutory requirements under the Companies Act 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 (i) the prevailing market rate for rights issues, including the placing commissions of recent 14 rights issue transactions the Company has identified involving compensatory arrangement only and no excess application which were announced by the companies listed on the Stock Exchange within three months preceding the Last Trading Day, which are ranged from approximately 1.0% to 3.0% with an average and a median of approximately 1.8% and 2.0%, respectively; (ii) the existing financial position of the Group, including the Group's loss-making performance and net cash used in operating activities for the year ended 31 December 2025; (iii) the size of the Rights Issue, which may involve the placing of up to 805,277,012 Rights Shares (representing approximately 70.4% of the existing issued share capital of the Company as at the Latest Practicable Date); and (iv) the general downward trend in the daily closing price of the Shares during the six months period prior to and including the Last Trading Day, as noted by the decrease in closing price of the Shares from the highest of HK$0.79 per Share on 17 and 18 November 2025 to HK$0.219 on the Last Trading Day, representing a decrease of approximately 72.3%. Taking into account the above, in particular, the placing commission of 0.5% pursuant to the Placing Agreement is lower than the average and the median of the recent rights issue transactions, the Directors consider that the placing commission rate charged by the Placing Agent is no less favourable to the Company and 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 Latest Practicable Date, 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, respectively, one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having being approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise 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 Latest Practicable Date, 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 Undertaking

As the Latest Practicable Date, (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 Latest Practicable Date; (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 Latest Practicable Date; (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 Latest Practicable Date; 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 Latest Practicable Date.

In accordance with the terms of the Irrevocable Undertakings executed on 26 March 2026, 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 RMB152.9 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. Included in the trade payables, approximately RMB123 million are with aging within one year. They mainly comprised payables to subcontractors and material vendors of currently ongoing projects. In order to ensure the projects could be carried on in progress, the Group would need to settle the relevant payments in a timely manner, which would cause additional pressure on its overall operating cash flow. 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 Latest Practicable Date, 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. The proceeds from the Rights Issue can reduce the cash flow pressure. The Group would utilize operating cash inflow or obtain additional bank borrowings to satisfy the needs in addition to the proceeds from the Rights Issue.

For the Group's projects which are in their initial/early stage as at the Latest Practicable Date, 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** *RMB million*	**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 RMB152.9 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 Board is 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 Board considers 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 Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
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 Latest Practicable Date.

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 Latest Practicable Date; (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 Rights Shares are placed to the independent placees (assuming there are no changes in the issued share capital of the Company on or before the Record Date):

	As at the Latest Practicable Date		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 Rights Shares are placed to the independent placees		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 Rights Shares are placed to the independent placees	
	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%	462,830,559	28.75%
Zhongshen Chitai *(Notes 2 & 6)*	71,040,560	6.21%	213,121,680	6.21%	213,121,680	6.21%	115,703,568	7.18%
Huajian Investment *(Notes 3 & 6)*	270,502,674	23.64%	811,508,022	23.64%	811,508,022	23.64%	440,566,973	27.35%
Huajian Advisory *(Notes 4 & 6)*	115,929,718	10.13%	347,789,154	10.13%	347,789,154	10.13%	188,814,418	11.72%
Huajian Technology Limited *(Note 5)*	16,539,306	1.45%	49,617,918	1.45%	16,539,306	0.48%	16,539,306	1.03%
Existing public Shareholders	386,099,200	33.74%	1,158,297,600	33.74%	386,099,200	11.25%	386,099,200	23.97%
The placees	—	—	—	—	805,277,012	23.46%	—	—
Total	1,144,283,698	100%	3,432,851,094	100%	3,432,851,094	100%	1,610,554,024	100%

1. As at the Latest Practicable Date, Zhongshen Hengtai is 100% beneficially owned by Mr. Sang, the Chairman of the Company and an executive Director.

2. As at the Latest Practicable Date, Zhongshen Chitai is 100% beneficially owned by Mr. Xian, an executive Director.

3. As at the Latest Practicable Date, Huajian Investment is 100% beneficially owned by Mr. Wang Yan.

4. As at the Latest Practicable Date, Huajian Advisory is 100% beneficially owned by Mr. Sang Haifeng.

5. As at the Latest Practicable Date, Huajian Technology Limited is 100% beneficially owned by Mr. Wu Haibin.

6. The total number of Rights Shares to be subscribed by Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment and Huajian Advisory will be scaled down to a level which (i) will not trigger a general offer obligation under the Takeovers Code; and (ii) will not cause the Company's public float to decrease to below 25%, as a result of the Rights Issue.

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 Latest Practicable Date, 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 Latest Practicable Date, 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 (representing approximately 24.83% and 6.21% of the total issued share capital of the Company as at the Latest Practicable Date, 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 of the Latest Practicable Date, the Company has no treasury shares.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Tuesday, 2 June 2026. The Prospectus will be made available and/or despatched (subject to Shareholders' election to receive physical copies) to the Shareholders. A copy of the

Prospectus will also be made available on the websites of the Company (http://www.zsjy.top) and the Stock Exchange (www.hkexnews.hk). The Company will despatch the PAL in printed form to the Qualifying Shareholders. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Non-Qualifying Shareholder(s) (if any) for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholder(s) (if any).

EGM

Set out on pages EGM-1 to EGM-3 of this circular is a notice of the Company convening the EGM which will be held at 8/F, Block B, Building 4, Huaqiang Creative Industrial Park, Guangming Street, Guangming District, Shenzhen, the PRC on Monday, 18 May 2026 at 3:00 p.m. for the purpose of considering and if thought fit approving, among others, the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder.

A form of proxy for the EGM is enclosed in this circular and can also be downloaded from the website of the Stock Exchange (www.hkexnews.hk). Whether or not you wish to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon to Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours (i.e. 3:00 p.m. on Saturday, 16 May 2026) before the time appointed for the EGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM (or any adjourned meeting) if you so wish. If the Shareholder attends and votes at the EGM, the instrument appointing the proxy will be deemed to have been revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for every resolution put to the vote of the EGM. An announcement will be made by the Company following the conclusion of the EGM to inform Shareholders of the results of EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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 circular.

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 Latest Practicable Date 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.

RECOMMENDATIONS

The Independent Board Committee, which comprises all the 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 interest 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 as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Your attention is drawn to the letter from the Independent Board Committee set out on page 38 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 39 to 66 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board
Zhongshen Jianye Holding Limited
Sang Xianfeng
Chairman

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)

30 April 2026

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company dated 30 April 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalized terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether, in our opinion, the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and to recommend how the Independent Shareholders should vote at the EGM. Details of the Rights Issue are set out in the "Letter from the Board" on pages 12 to 37 of the Circular.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving thereat, are set out in its letter on pages 39 to 66 of the Circular.

Having taken into account the terms of the Rights Issue, the information contained in the Circular and the advice of the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution approving the Rights Issue at the EGM.

Yours faithfully,
For and on behalf of the Independent Board Committee

Ms. Liu Zhihong **Mr. Zeng Qingli** **Mr. Xie Huagang**
Independent non-executive Directors

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder which has been prepared for the purpose of inclusion in this circular.

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

30 April 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue, the Placing Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 30 April 2026 (the "**Circular**"), of which this letter forms a part of. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

With reference to the Letter from the Board, the Board proposes to conduct 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, to raise gross proceeds of approximately HK$343.3 million before expenses by way of Rights Issue of up to 2,288,567,396 Rights Shares. 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.

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 Latest Practicable Date, 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 Latest Practicable Date, 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 (representing approximately 24.83% and 6.21% of the total issued share capital of the Company as at the Latest Practicable Date, 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.

Independent Board Committee

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Ms. Liu Zhihong, Mr. Zeng Qingli and Mr. Xie Huagang, has been established to provide recommendations to the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Rights Issue. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the annual reports of the Company for the years ended 31 December 2024 and 2025 (the "**2024 Annual Report**" and "**2025 Annual Report**", respectively); (ii) the Announcement; (iii) the information and facts contained or referred to in the Circular; (iv) the information supplied by the Group; (v) the opinions expressed by and the representations of the Directors and the management of the Group; and (vi) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date.

Shareholders will be informed by the Group and us as soon as possible if there is any material change to the information disclosed in this Circular during the period from the Latest Practicable Date up to the date of the EGM, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Group is principally engaged in the provision of construction services in the PRC.

Set out below is a summary of the audited financial information of the Group for the three years ended 31 December 2025 ("**FY2023**", "**FY2024**" and "**FY2025**", respectively) as extracted from the 2024 Annual Report and the 2025 Annual Report:

(i) ***Financial performance***

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
Revenue	**1,530,919**	**750,556**	**425,318**
Cost of revenue	(1,441,773)	(709,215)	(409,163)
Gross profit	**89,146**	**41,341**	**16,155**
Administrative expenses	(41,210)	(40,030)	(42,413)
(Impairment losses)/reversal of impairment losses on financial assets and contract assets	(146)	1,221	(9,621)
Other income, gains/(losses) — net	11	(217)	691
Finance costs — net	(1,265)	(2,276)	(2,674)
Profit/(loss) before income tax	**46,536**	**39**	**(37,862)**
Income tax (expense)/credit	(14,722)	1,905	1,378
Profit/(loss) attributable to the Shareholders	**31,814**	**1,944**	**(36,484)**

FY2024 compared to FY2023

Total revenue of the Group decreased by approximately 51.0% from approximately RMB1,530.9 million for FY2023 to approximately RMB750.6 million for FY2024, primarily attributable to the decrease in number of revenue generating construction projects in 2024 as compared to that in 2023.

As a result of (a) the decrease in total revenue; and (b) the decrease in gross profit margin of construction engineering projects from approximately 6.2% for FY2023 to approximately 5.0% for FY2024 mainly due to the relatively lower profit margin on projects that the Group acted as subcontractors and the increase in raw material costs for certain projects, the Group's gross profit decreased by approximately 53.6% from approximately RMB89.1 million for FY2023 to approximately RMB41.3 million for FY2024.

The Group's profit attributable to the Shareholders recorded a significant decrease of approximately 93.9% from approximately RMB31.8 million for FY2023 to approximately RMB1.9 million for FY2024, primarily attributable to (a) the decrease in revenue and gross profit as aforementioned; and (b) the increase in net finance costs by approximately RMB1.0 million mainly due to the increase in interest expense on bank borrowings.

FY2025 compared to FY2024

Total revenue of the Group decreased by approximately 43.3% from approximately RMB750.6 million for FY2024 to approximately RMB425.3 million for FY2025, primarily attributable to the decrease in number of construction projects in 2025 as compared to that in 2024.

As a result of (a) the decrease in total revenue; and (b) the decrease in gross profit margin of municipal and public construction projects from approximately 5.8% for FY2024 to approximately 1.2% for FY2025 mainly 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 FY2025, the Group's gross profit decreased by approximately 60.9% from approximately RMB41.3 million for FY2024 to approximately RMB16.2 million for FY2025.

The Group recorded a change from profit attributable to the Shareholders of approximately RMB1.9 million for FY2024 to loss attributable to the Shareholders of approximately RMB36.5 million for FY2025, primarily attributable to (a) the decrease in revenue and gross profit as aforementioned; and (b) the increase in impairment losses on financial assets and contract assets by approximately RMB10.8 million.

(ii) ***Financial position***

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
Non-current assets, including:	**63,403**	**70,844**	**68,548**
— Property, plant and equipment	42,441	48,423	45,329
— Deferred income tax assets	10,333	10,028	12,433
Current assets, including:	**1,619,313**	**1,577,284**	**1,559,871**
— Contract assets	1,209,485	1,016,678	990,227
— Trade receivables	157,270	240,360	205,536
— Deposits, other receivables and prepayments	80,318	198,128	264,961
— Restricted bank deposits	24,738	24,864	33,183
— Cash and cash equivalents	147,140	96,653	58,620
Total assets	**1,682,716**	**1,648,128**	**1,628,419**
Current liabilities, including:	**1,283,921**	**1,148,763**	**1,072,541**
— Trade and other payables	1,248,869	1,104,475	944,682
— Bank borrowings	2,989	33,008	69,596
Non-current liabilities	**26,371**	**23,389**	**46**
Total liabilities	**1,310,292**	**1,172,152**	**1,072,587**
Equity attributable to the Shareholders	**372,424**	**475,976**	**555,832**

As at 31 December 2025, total assets of the Group amounted to approximately RMB1,628.4 million, which mainly consisted of (a) contract assets of approximately RMB990.2 million, which primarily relate to the Group's right to consideration for work completed and not billed; (b) trade receivables of approximately RMB205.5 million; (c) deposits, other receivables and prepayments of approximately RMB265.0 million; (d) restricted bank deposits of approximately RMB33.2 million; and (e) cash and cash equivalents of approximately RMB58.6 million.

As at 31 December 2025, total liabilities of the Group amounted to approximately RMB1,072.6 million, which mainly consisted of (a) trade and other payables of approximately RMB944.7 million; (b) contract liabilities of approximately RMB57.9 million; and (c) bank borrowings of approximately RMB69.6 million.

As at 31 December 2025, the Group recorded equity attributable to the Shareholders of approximately RMB555.8 million.

2. Reasons for the Rights Issue and use of proceeds

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue are expected to be approximately HK$343.3 million and the net proceeds of the Rights Issue after deducting related expenses are expected 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 or 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 or 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 or 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.

We have discussed with the management of the Group to understand the proposed use of the net proceeds and obtained and reviewed the breakdown regarding the proposed use of the net proceeds from the Rights Issue. Based on our review, we noted that the majority of the net proceeds from the Rights Issue would be applied for the capital needs and cash flow of certain projects that have been awarded to the Group recently. As advised by the management of the Group, as at the Latest Practicable Date, the Group has 146 ongoing contracts, of which five major projects would require external capital funding from the Rights Issue to support their cash flows within the next six months. In this regard, we have obtained and reviewed the duly signed contracts of these five major projects and noted that these five major projects have contract sum of approximately RMB504.1 million in aggregate with expected or actual commencement date range from October 2025 to June 2026. In these construction engineering and municipal and public construction projects, the Group is generally responsible for the overall coordination and management of a construction project, which cover workplan formulation, labour recruitment, leasing of equipment and machinery, procurement of construction raw materials and quality and construction progress control. Accordingly, the Group needs to pay material costs, labour costs, subcontracting charges, installation fees and other costs including utility expenses, other miscellaneous production costs and transportation costs. 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 and the advance payments (if any) are not sufficient to cover the upfront costs to be incurred at the early stage, we concur with the Directors that the Rights Issue 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.

As stated in the section headed "1. Background of the Group" above, the financial performance of the Group has been deteriorated during the past three years as a result of the decrease in number of construction projects over the years. Accordingly, the Group's total revenue has decreased from approximately RMB1,530.9 million for FY2023 to approximately RMB425.3 million and the Group recorded a change from profit attributable to the Shareholders of approximately RMB31.8 million for FY2023 to loss attributable to the Shareholders 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 RMB152.9 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 as current liabilities. On the other hand, the Group only had cash balance (including restricted bank deposits and cash and cash equivalents) of approximately RMB91.8 million, which were insufficient to cover the Group's payment obligations on trade and other payables. Having considered the prevailing market condition and low level of cash on hand available to the Group, the Group encountered pressures on liquidity and is in need for fund raising to relieve its liquidity pressure. Further, the Group must maintain sufficient cash reserves for essential expenditures to support ongoing operations and meet compliance obligations. As discussed in the section headed "1. Background of the Group" above, the Group has incurred administrative expenses of approximately RMB40 million for each of the three years ended 31 December 2025. As such, we concur with the Directors that the total net proceeds of approximately HK$47.8 million will support and facilitate the Group's daily operations and cover the Group's essential expenditures including staff cost, rental expenses, legal and professional fees and other operating expenses. In this regard, the Rights Issue could provide sufficient funds at no borrowing costs for the Group to satisfy its funding needs in payment obligations on trade and other payables and the conduction of the Group's ordinary business.

The proposed allocation of the net proceeds from the Rights Issue reflects the Group's strategic focus on fulfilling its existing contractual obligations and pursuing new business opportunities in the Chinese construction sector. The investments in ongoing projects, as well as the settlement of liabilities and replenishment of working capital, demonstrate a disciplined and forward-looking approach to capital utilisation. Given the specificity and clarity of the plans, we are of the view that the proposed use of proceeds as reasonable and necessary to support the Group's operational and financial needs.

Fund-raising alternatives

As disclosed in the Letter from the Board, the Board has considered various fund-raising 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 debt financing such as bank borrowings, if available, would increase the gearing ratio and ongoing interest expenses of the Group which may in turn affect the profitability of the Group. Hence, the Board does not consider it to be beneficial to the Company. In this respect, we have discussed with the management of the Group and were advised that given the loss-making performance of the Company, it would be difficult or more costly to obtain sufficient further facilities from the banks for the Group's funding needs for future operation. Given that (i) the funds raised through the Rights Issue would not be interest-bearing while the Group had bank borrowings with an effective interest rate of 2.7% to 3.0% per annum as at 31 December 2025; (ii) the Group's net finance costs have increased significantly from approximately RMB1.3 million for FY2023 to approximately RMB2.7 million for FY2025 so that debt financing would incur further interest burden on the Group and negatively affect the financial performance and gearing of the Group; and (iii) new borrowings, if there were a lender, may require the provision of security and collaterals and creditors will rank before the Shareholders, which would not be beneficial to the Shareholders as a whole, we agree that debt financing is not beneficial to the Company and the Rights Issue would allow the Company to strengthen its capital base and liquidity without incurring interest costs as it would through bank borrowing.

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. As such, we consider that the Rights Issue is more favourable to the Shareholders as they have the flexibility of being able to sell their entitled nil-paid rights when they do not wish to take up the entitlements under the Rights Issue.

The Directors 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 financial 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.

Taking into account (i) the unsatisfactory financial performance and the liquidity level of the Group; (ii) the funding requirement of the Group to relieve its liquidity pressure; (iii) that the Rights Issue will strengthen the capital base of the Group for further development of its existing businesses; and (iv) that the Rights Issue offers all Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables them to maintain their proportionate interests in the Company and continue to participate in the future development of the Company, we concur with the management of the Group that the Rights Issue is the most appropriate means of financing over the alternative fund-raising methods and is in the interest of the Company and the Shareholders as a whole.

3. Principal terms of the Rights Issue

For details of the terms of the Rights Issue, please refer to the section headed "Proposed Rights Issue" in the Letter from the Board. Set out below are the principal terms of the Rights Issue:

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.15 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	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) approximately 200% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 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 Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue, which confer any right to subscribe for, convert or exchange into Shares.

4. Assessment of the 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 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 the Letter from the Board.

The Subscription Price of HK$0.15 per Rights Share represents:

(i) a discount of approximately 58.33% to the closing price of HK$0.36 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 31.51% to the closing price of HK$0.219 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 33.98% to the average closing price of HK$0.227 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 36.95% to the average closing price of HK$0.238 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

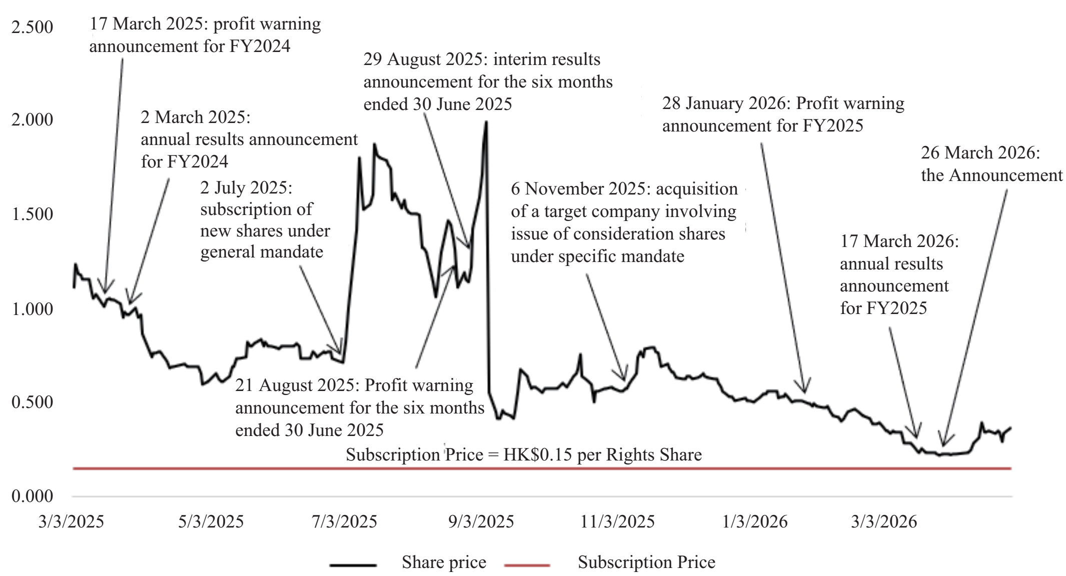
(v) a discount of approximately 13.29% to the theoretical ex-rights price of approximately HK$0.173 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.219 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.28B 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); and

(vii) 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 2025 Annual Report and 1,144,283,698 Shares in issue as at the Latest Practicable Date).

(i) *Comparison with historical closing prices of the Shares*

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the movement of the closing prices of the Shares as quoted on the Stock Exchange from 3 March 2025 to the Last Trading Day (i.e. 26 March 2026) (the "**Review Period**"), being approximately one year preceding the Last Trading Day, and up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Source: the website of the Stock Exchange

As shown above, the closing prices of the Shares were above the Subscription Price at all of the time during the Review Period, ranging from the lowest of HK$0.219 on the Last Trading Day to the highest of HK$1.99 on 4 September 2025. In other words, the Subscription Price of HK$0.15 per Rights Share represents discounts of approximately 31.51% to 92.46% to the closing prices of the Shares during the Review Period.

The closing prices of the Shares generally exhibited a downward trend from HK$1.11 on 3 March 2025 to HK$0.71 on 2 July 2025. Following the Company's publication of the announcement in relation to the subscription of new shares under general mandate on 2 July 2025, the closing prices of the Shares surged to HK$1.80 on 9 July 2025 and then fluctuated between HK$1.06 and HK$1.87 during the period from 10 July 2025 to 12 August 2025. The closing prices of the Shares then increased sharply and reached the highest of HK$1.99 on 4 September 2025. Thereafter, it dropped sharply to HK$0.55 on 5 September 2025. From then on, the closing prices of the Shares generally exhibited a downward trend and hit the lowest of HK$0.219 on the Last Trading Day. Based on our review of the Company's announcements published on the website of the Stock Exchange, in the second half of 2025, we noted that (a) on 2 July 2025, the Company announced the entering into of six separate subscription agreements with subscribers in respect of the subscription of an aggregate of 123,552,000 subscription shares and such subscription of new shares was completed on 17 July 2025; (b) the Company published the profit warning announcement, interim results announcement and interim report for the six months ended 30 June 2025 on 21 August 2025, 29 August 2025 and 12 September 2025, respectively; and (c) on 6 November 2025, the Company announced the acquisition of a target company involving issue of consideration shares under specific mandate. The target company is principally engaged in supervision construction management specialising in engineering construction supervision with multiple qualifications in supervision. We have made enquiries with the Directors and were advised that, save for the publication of announcements of the Company as described above, the Directors were not aware of any specific reasons that may have an impact on the fluctuations in the closing prices of the Shares in the second half of 2025.

As at the Latest Practicable Date, the closing price of the Shares closed at HK$0.36, to which the Subscription Price represents a discount of approximately 58.33%.

As discussed in the sub-section headed "(iii) Comparison with recent rights issue transactions" below, we note that it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant share in order to increase the attractiveness and encouraging shareholders to participate in the rights issue so as to meet the company's need for additional funding.

(ii) *Historical trading liquidity of the Shares*

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the Review Period and up to the Latest Practicable Date:

	Number of trading days *(Note 1)*	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue *(Note 2)*	Approximate percentage of average daily trading volume to total number of Shares held by the public *(Note 3)*
2025				
March	21	1,020,762	0.1652%	0.3888%
April	19	909,684	0.1473%	0.3465%
May	20	641,600	0.1039%	0.2444%
June	21	111,048	0.0180%	0.0423%
July	22	3,017,000	0.4070%	0.7814%
August	21	981,143	0.1324%	0.2541%
September	22	22,695,464	3.0615%	5.8781%
October	20	8,399,600	1.1331%	2.1755%
November	20	9,535,400	1.2863%	2.4697%
December	21	3,239,429	0.4370%	0.8390%
2026				
January	21	2,224,952	0.1944%	0.5763%
February	17	1,374,118	0.1201%	0.3559%
March	22	8,628,727	0.7541%	2.2348%
From 1 April to the Latest Practicable Date	16	2,701,250	0.2361%	0.6996%

Source: the website of the Stock Exchange

Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day (if applicable).

2. Based on the total number of the Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.

3. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by Zhongshen Hengtai, Zhongshen Chitai, Huajian Investment, Huajian Advisory and Huajian Technology Limited.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period and up to the Latest Practicable Date. The average daily trading volume for the respective month or period during the Review Period and up to the Latest Practicable Date ranged from approximately 111,048 Shares in June 2025 to approximately 22,695,464 Shares in September 2025, representing approximately 0.0180% to 3.0615% of the total number of the Shares in issue and approximately 0.0423% to 5.8781% of the total number of the Shares held by the public, respectively.

The trading volume of the Shares was notably high in September 2025 as compared to other months/periods during the Review Period and up to the Latest Practicable Date. We have reviewed Company's announcements published on the website of the Stock Exchange and discussed with the Directors in this regard. As advised by the Directors, the Directors were not aware of any specific reasons that may have an impact on the exceptionally high trading volume of the Shares in September 2025.

The above statistics revealed that the trading liquidity of the Shares has not been high recently in the open market. On this basis and considering the financial position and performance of the Group, we are of the view that the Company is unlikely to be able to raise notable amount of funds via equity financing without a notable discount. As such, we consider that it is reasonable for the Subscription Price to be set at a discount to the prevailing historical closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue and to maintain their respective shareholdings in the Company.

(iii) ***Comparison with recent rights issue transactions***

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we have reviewed the rights issue transactions with compensatory arrangement only and no excess application which were initially announced by the companies listed on the Stock Exchange during the period from 2 January 2026 and up to the Last Trading Day (being approximately three months preceding the Last Trading Day). We have identified an exhaustive list of 14 rights issue transactions (the "**Comparable Transactions**"). We consider that the aforesaid review period is adequate and appropriate to capture the recent market practice in relation to rights issue transactions under the prevailing market conditions, and provide a sufficient sample for comparison with the Rights Issue.

Although the listed issuers involved in the Comparable Transactions have different principal activities, market capitalisations, profitability and financial positions as compared to those of the Company, and includes rights issue transactions which are underwritten with different basis of entitlement, we consider that the Comparable Transactions can provide a general reference to the pricing trend of recent rights issue transactions under the current market conditions as well as a sufficient sample size for comparison purpose, so as to determine whether the Subscription Price is in line with those of recent rights issue transactions in the market.

The details of the Comparable Transactions are set out below:

Date of announcement	Company name (stock code)	Gross proceeds from the rights issue *(HK$ million)*	Basis of entitlement	Premium/ (discount) of the subscription price over/to the closing price on the last trading day %	Premium/ (discount) of the subscription price over/to the average closing price for the five previous consecutive trading days up to and including/ prior to the last trading day %	Premium/ (discount) of the subscription price over/to the theoretical ex-rights price %	Premium/ (discount) of the subscription price over/to the consolidated net asset value %	Maximum dilution % *(Note 1)*	Theoretical dilution effect % *(Note 2)*	Excess application *(Y/N)*	Underwriting/ placing commission, as the case may be %
24 March 2026	Alco Holdings Limited (328.HK)	126.0	4 for 1	(20.30)	(24.20)	(4.80)	Net liabilities	80.00	21.00	N	1.5
20 March 2026	WT Group Holdings Limited (8422.HK)	24.0	2 for 1	(9.91)	(10.39)	(3.57)	(64.79)	66.67	6.58	N	3.0
19 March 2026	i.century Holding Limited (8507.HK)	40.0	1 for 1	(47.37)	(45.05)	31.03	89.99	50.00	23.68	N	HK$400,000
9 March 2026	Hang Pin Living Technology Company Limited (1682.HK)	66.8	1 for 1	(27.97)	(27.72)	(16.26)	(22.73)	50.00	13.98	N	1.0
6 March 2026	Kingland Group Holdings Limited (1751.HK)	152.9	1 for 3	0.00	(2.30)	(3.10)	2,157.10 *(Note 3)*	25.00	1.00	N	3.0
5 March 2026	Madison Holdings Group Limited (8057.HK)	45.4	3 for 2	(40.00)	(39.10)	(21.10)	(79.83)	60.00	24.00	N	2.0

Date of announcement	Company name (stock code)	Gross proceeds from the rights issue *(HK$ million)*	Basis of entitlement	Premium/ (discount) of the subscription price over/to the closing price on the last trading day %	Premium/ (discount) of the subscription price over/to the average closing price for the five previous consecutive trading days up to and including/ prior to the last trading day %	Premium/ (discount) of the subscription price over/to the theoretical ex-rights price %	Premium/ (discount) of the subscription price over/to the consolidated net asset value %	Maximum dilution % *(Note 1)*	Theoretical dilution effect % *(Note 2)*	Excess application *(Y/N)*	Underwriting/ placing commission, as the case may be %
16 February 2026	Xinming China Holdings Limited (2699.HK)	106.0	6 for 1	(20.00)	(20.00)	(3.45)	Net liabilities	85.71	17.14	N	2.0
16 February 2026	Mindtell Technology Limited (8611.HK)	280.8	1 for 1	(40.60)	(43.60)	(25.50)	3,900.00 *(Note 3)*	50.00	21.70	N	2.0
11 February 2026	NIU Holdings Limited (8619.HK)	30.9	2 for 1	(33.50)	(35.90)	(21.10)	(92.70)	66.67	24.00	N	a non-refundable fee of HK$15,000 and the placing commission of HK$85,000 or 1.0% of the gross placing proceeds, whichever is higher
6 February 2026	WLS Holdings Limited (8021.HK)	86.2	1 for 1	(40.00)	(41.20)	(25.00)	(77.10)	50.00	21.60	N	2.5
27 January 2026	Pacific Legend Group Limited (8547.HK)	29.6	1 for 2	26.58	31.23	16.28	4.09	33.33	4.60	N	2.0

Date of announcement	Company name (stock code)	Gross proceeds from the rights issue *(HK$ million)*	Basis of entitlement	Premium/ (discount) of the subscription price over/to the closing price on the last trading day %	Premium/ (discount) of the subscription price over/to the average closing price for the five previous consecutive trading days up to and including/ prior to the last trading day %	Premium/ (discount) of the subscription price over/to the theoretical ex-rights price %	Premium/ (discount) of the subscription price over/to the consolidated net asset value %	Maximum dilution % *(Note 1)*	Theoretical dilution effect % *(Note 2)*	Excess application *(Y/N)*	Underwriting/ placing commission, as the case may be %
15 January 2026	Shanghai International Shanghai Growth Investment Limited (770.HK)	US$0.55	3 for 8	(60.00)	(60.00)	(52.19)	47.44	27.27	16.33	N	1.0
14 January 2026	Anchorstone Holdings Limited (1592.HK)	121.6	4 for 1	(42.86)	(39.81)	(8.57)	Net liabilities	80.00	24.00	N	1.25
14 January 2026	Jutal Offshore Oil Services Limited (3303.HK)	56.9	1 for 6	(69.23)	(69.35)	(66.10)	(85.13)	14.29	9.92	N	1.0
			Maximum	**26.58**	**31.23**	**31.03**	**89.99**	**85.71**	**24.00**		**3.0**
			Minimum	**(69.23)**	**(69.35)**	**(66.10)**	**(92.70)**	**14.29**	**1.00**		**1.0**
			Average	**(30.37)**	**(30.53)**	**(14.53)**	**(31.20)**	**52.78**	**16.40**		**1.8**
			Median	**(36.75)**	**(37.50)**	**(12.42)**	**(64.79)**	**50.00**	**19.07**		**2.0**
	The Company	**343.3**	**2 for 1**	**(31.51)**	**(33.98)**	**(13.29)**	**(72.22)**	**66.67**	**23.45**	**N**	**0.5**

Source: the website of the Stock Exchange

Notes:

1. The maximum dilution is calculated by the number of rights shares divided by the total number of issued shares as enlarged by the issue of the rights shares.

2. The theoretical dilution effect is calculated in accordance with Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.

3. The premiums of the subscription price over the net asset value per share of Kingland Group Holdings Limited (stock code: 1751) and Mindtell Technology Ltd. (stock code: 8611) are exceptionally high and considered as outliers, they are therefore disregarded and excluded in the comparison.

As set out in the table above, we note that it is a common market practice that the pricing of a rights issue represents a discount to the prevailing closing share prices prior to the announcement of the rights issue and to the theoretical ex-rights price of the shares. We also note that:

(a) the subscription prices over/to the share price on the last trading day of the Comparable Transactions ranged from a discount of approximately 69.23% to a premium of approximately 26.58%, with an average and a median discount of approximately 30.37% and 36.75%, respectively. The discount of approximately 31.51% as represented by the Subscription Price to the closing price of the Shares on the Last Trading Day is within the range of the Comparable Transactions and close to the average and median discounts of the Comparable Transactions;

(b) the subscription prices over/to the average share price for the five previous consecutive trading days up to and including/prior to the last trading day of the Comparable Transactions ranged from a discount of approximately 69.35% to a premium of approximately 31.23%, with an average and a median discount of approximately 30.53% and 37.50%, respectively. The discount of approximately 33.98% as represented by the Subscription Price to the closing price of the Shares for the five previous consecutive trading days up to and including the Last Trading Day is within the range of the Comparable Transactions and close to the average and median discounts of the Comparable Transactions;

(c) the subscription prices over/to the theoretical ex-rights price of the Comparable Transactions ranged from a discount of approximately 66.10% to a premium of approximately 31.03%, with an average and a median discount of approximately 14.53% and 12.42%, respectively. The discount of approximately 13.29% as represented by the Subscription Price to the theoretical ex-rights price is within the range of the Comparable Transactions and close to the average and median discounts of the Comparable Transactions;

(d) the subscription prices over/to the consolidated net asset value of the Comparable Transactions ranged from a discount of approximately 92.70% to a premium of approximately 89.99%, with an average and a medium discount of approximately

31.20% and 64.79%, respectively. The discount of approximately 72.22% as represented by the Subscription Price to the consolidated net asset value per Share as at 31 December 2025 is within the range of the Comparable Transactions and higher than the average and median discounts of the Comparable Transactions; and

(e) the theoretical dilution effect of the Comparable Transactions ranged from approximately 1.00% to approximately 24.00%, with an average and a medium dilution effect of approximately 16.40% and 19.07%, respectively. The theoretical dilution effect of the Rights Issue of approximately 23.45% is within the range of the Comparable Transactions.

Given that (a) as shown in the table above, it is a common market practice that the subscription price of a rights issue represents a discount to (1) the closing price on the last trading day; (2) the average share price for the five previous consecutive trading days up to and including/prior to the last trading day; (3) the theoretical ex-rights price based on the closing price on the last trading day; and (4) the consolidated net asset value attributable to the shareholders; (b) a higher discount of the Subscription Price could enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue; (c) the interests of the Qualifying Shareholders will not be prejudiced by the discount of the Subscription Price as long as they are offered with an equal opportunity to participate in the Rights Issue and subscribe for the Rights Shares; (d) those Qualifying Shareholders who do not wish to subscribe for their pro-rata entitlement of the Rights Shares can receive economic benefits from selling their nil-paid Rights Shares in the market; (e) the discounts of the Subscription Price to the closing price of the Shares on the Last Trading Day, the average closing price of the Shares for the five previous consecutive trading days up to and including the Last Trading Day, and the theoretical ex-rights are within the ranges of those of the Comparable Transactions and close to the average and median discounts of the Comparable Transactions; (f) the discount of the Subscription Price to the consolidated net asset value per Share as at 31 December 2025 is within the ranges of those of the Comparable Transactions; and (g) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Although the Subscription Price represents a deep discount to the consolidated net asset value per Share as at 31 December 2025 and the level of discount is higher than the average and median of the Comparable Transactions, taking into account (a) the fundings needs of the Group as discussed above; (b) the interests of the Qualifying Shareholders will not be prejudiced by the level of discount of the Subscription Price as long as they are offered with an equal opportunity to participate in the Rights Issue and subscribe for the Rights Shares; (c) the discount of approximately 72.22% as represented by the Subscription Price to the consolidated net asset value per Share as at 31 December 2025 is within the range of the Comparable Transactions; (d) during the period six months prior to and including the Last Trading Day, the highest closing price per Share was HK$0.79 on 17 and 18 November 2025 and showed a general downward trend to HK$0.219 on the Last Trading Day, representing a decrease of approximately 72.3%. Setting the Subscription Price at or close to the prevailing market level would attract sufficient subscriptions from existing Shareholders to raise the intended proceeds; and (e) the closing price per Share was trading below the consolidated net asset value per Share as at 31 December 2025 during the one month period immediately prior to the Last Trading Day (i.e. from 26 February 2026 to 25 March 2026) with a discount of approximately 27.78% to 58.15%, we consider a substantial discount of the Subscription Price to the consolidated net asset value per Share given to attract subscription by the Qualifying Shareholders is fair and reasonable.

Although the theoretical dilution effect of the Rights Issue is higher than the average and median of the Comparable Transactions, taking into account that (a) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions; (b) the size of funds to be raised reflects the reasonable amount of funds required to fund the Group's business operation and meet its working capital requirements, and is balanced against the potential dilution impact on the Qualifying Shareholders who do not take up the Rights Issue; (c) the dilution effect complies with the Listing Rules and the discount to the closing prices is expected to attract more Shareholders to participate in the Rights Issue to maintain their respective shareholding interests in the Company and contribute to the Group's future growth and development; (d) the potential dilution to the shareholding interests of the Shareholders only happens to the Qualifying Shareholders who decide not to accept their assured entitlements in full; and (e) the Qualifying Shareholders are in fact given the opportunity to trade the nil-paid Rights Shares if they decided not to take up their entitlements in whole or in part, we consider the theoretical dilution effect of the Rights Issue is justifiable.

5. Principal terms of the Placing Agreement

For details of the terms of the Placing Agreement, please refer to the section headed "The Placing Agreement" in the Letter from the Board. Set out below are the principal terms of the Placing Agreement:

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 (the "**Placing Commission**") 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).

With reference to the sub-section headed "4. Assessment of the Subscription Price — (iii) Comparison with recent rights issue transactions" above, there were 14 Comparable Transactions involving compensatory arrangements which we believe reflect the prevailing market trends under the current economic environment and thus fair and reasonable for the assessment of the Placing Commission under the Placing Agreement.

As shown in the table above, we noted that the placing commission rates provided by the placing agents under the Comparable Transactions ranged from approximately 1.0% to 3.0% with an average and a median of approximately 1.8% and 2.0%, respectively. Given that (i) as disclosed in the Letter from the Board, the Placing Commission was determined after arm's length negotiation between the Placing Agent and the Company with reference to the 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; and (ii) the Placing Commission of 0.5% falls within the relevant range of the Comparable Transactions and is lower than the average and the median of the Comparable Transactions, we consider that the Placing Commission to be fair and reasonable. As such, we are of the view that the terms of the Placing Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

6. Potential dilution effect on the shareholding interests of the Independent Shareholders

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

For illustrative purposes only, assuming there are no changes in the issued share capital of the Company on or before the Record Date, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by all Shareholders; (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 entitlements of the Rights Shares and all the Unsubscribed Rights Shares are placed to the independent placees; 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 entitlements of the Rights Shares and none of the Unsubscribed Rights Shares are placed to the independent placees:

Shareholders	**As at the Latest Practicable Date**		**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 Rights Shares are placed to the independent placees**		**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 Rights Shares are placed to the independent placees**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Zhongshen Hengtai *(Note 1)*	284,172,240	24.83	852,516,720	24.83	852,516,720	24.83	462,830,559	28.75
Zhongshen Chitai *(Note 2)*	71,040,560	6.21	213,121,680	6.21	213,121,680	6.21	115,703,568	7.18
Huajian Investment *(Note 3)*	270,502,674	23.64	811,508,022	23.64	811,508,022	23.64	440,566,973	27.35
Huajian Advisory *(Note 4)*	115,929,718	10.13	347,789,154	10.13	347,789,154	10.13	188,814,418	11.72
Huajian Technology Limited *(Note 5)*	16,539,306	1.45	49,617,918	1.45	16,539,306	0.48	16,539,306	1.03
Existing public Shareholders	386,099,200	33.74	1,158,297,600	33.74	386,099,200	11.25	386,099,200	23.97
The placees	—	—	—	—	805,277,012	23.46	—	—
Total	**1,144,283,698**	**100.00**	**3,432,851,094**	**100.00**	**3,432,851,094**	**100.00**	**1,610,554,024**	**100.00**

Notes:

1. As at the Latest Practicable Date, Zhongshen Hengtai is 100% beneficially owned by Mr. Sang, the Chairman of the Company and an executive Director.

2. As at the Latest Practicable Date, Zhongshen Chitai is 100% beneficially owned by Mr. Xian, an executive Director.

3. As at the Latest Practicable Date, Huajian Investment is 100% beneficially owned by Mr. Wang Yan.

4. As at the Latest Practicable Date, Huajian Advisory is 100% beneficially owned by Mr. Sang Haifeng.

5. As at the Latest Practicable Date, Huajian Technology Limited is 100% beneficially owned by Mr. Wu Haibin.

As set out in the table under the sub-section headed "4. Assessment of the Subscription Price — (iii) Comparison with recent rights issue transactions" above, the maximum dilution of the Comparable Transactions ranged from approximately 14.29% to 85.71% with an average and a medium dilution of approximately 52.78% and 50.00%, respectively. For the Non-Qualifying Shareholders and those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue will be diluted by up to a maximum of 66.67%, which is within the range of the Comparable Transactions. Taking into account that (i) the dilution magnitude of any rights issue depends solely on the extent of the basis of entitlement under such exercise, where the higher the offering ratio of rights shares to existing shares is, the greater the dilution on the existing shareholding would be; (ii) the maximum dilution effect only occur when the Qualifying Shareholders do not subscribe for their proportionate Rights Shares; and (iii) the theoretical dilution effect of the Rights Issue is within the range of the Comparable Transactions and complies with the dilution limit under the Listing Rules, we consider the potential dilution effect of the Rights Issue to be acceptable.

In all cases of rights issue, the dilution on the shareholding of those qualifying shareholders who do not take up in full their provisional allotments under the rights issue is inevitable. In fact, the dilution magnitude of any rights issue depends mainly on the extent of the basis of entitlement under such exercise since the higher offering ratio of new shares to existing shares is, the greater the dilution on the shareholding would be.

Having considered (i) the dilution effect is not prejudicial as all the Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and the Independent Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; (ii) the flexibility provided to the Qualifying Shareholders who choose not to subscribe, as they may dispose of their nil-paid Rights Shares in the open market; (iii) the inherent dilutive nature of rights issues in general if existing shareholders do not fully take up their entitlements; and (iv) the positive impact on the financial position of the Group as a result of the Rights Issue as detailed in the section headed "7.

Financial impact of the Rights Issue" below, we are of the view that the potential dilution effect of the Rights Issue, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Rights Shares, is justifiable.

7. Financial impact of the Rights Issue

(i) ***Net tangible assets***

According to the unaudited pro forma financial information of the Group (in Appendix II to the Circular, assuming that the Rights Issue had been completed and subscribed in full on 31 December 2025), the audited consolidated net tangible assets attributable to the Shareholders would have increased from approximately RMB550.9 million as at 31 December 2025 to the unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders of approximately RMB857.1 million immediately after the completion of the Rights Issue.

(ii) ***Liquidity***

As at 31 December 2025, the Group had restricted bank deposits and cash and cash equivalents of approximately RMB91.8 million, current assets of approximately RMB1,559.9 million and current liabilities of approximately RMB1,072.5 million. Upon completion of the Rights Issue, restricted bank deposits and cash and cash equivalents of the Group is expected to increase by the estimated net proceeds from the Right Issues of approximately HK$341.3 million (equivalent to approximately RMB306.2 million). The current ratio of the Group will increase from approximately 1.45 times to approximately 1.74 times. As such, the liquidity position of the Group would be improved upon completion of the Rights Issue.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Company upon completion of the Rights Issue.

OPINION AND RECOMMENDATION

Based on the above, we consider that the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Group, are nevertheless in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for the years ended 31 December 2023, 2024 and 2025 were disclosed in the following documents which have been published on both the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.zsjy.top). Please refer to the hyperlinks as stated below:

(i) Annual report of the Company for the year ended 31 December 2023:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042501088.pdf

(ii) Annual report of the Company for the year ended 31 December 2024:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0410/2025041000732.pdf

(iii) Annual report of the Company for the year ended 31 December 2025:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0420/2026042000567.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business of 31 March 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 outstanding indebtedness as follows:

Borrowings and other lease commitments

The Group had outstanding (i) guaranteed and secured bank borrowings of approximately RMB40 million; (ii) unguaranteed and unsecured bank borrowings of approximately RMB20 million; and (iii) unguaranteed and unsecured lease liabilities of approximately RMB0.3 million. Lease liabilities represented the present value of the remaining lease payments for the leased properties discounted by the Group's incremental borrowing rate in accordance with HKFRS 16.

The secured bank borrowings of the Group as at 31 March 2026 are secured by:

(i) guarantees given by the directors of the Company; and

(ii) pledges over certain of the Group's land and building.

Contingent liabilities

As at 31 March 2026, the Group did not have any material contingent liabilities.

Save as disclosed above, as at 31 March 2026, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, or outstanding mortgages and charges, or guarantees or other material contingent liabilities.

Capital commitment

As at 31 March 2026, the Group did not have any capital commitment.

Operating lease commitment

As at 31 March 2026, all the Group's future lease payments were recognised as operating lease liabilities in accordance with HKFRS 16, and did not have any other operating lease commitment.

3. WORKING CAPITAL

The Directors are of opinion that, after due and careful enquiry and taking into account the Rights Issue and the transactions contemplated thereunder, the financial resources available to the Group including the internally generated funds and the available banking facilities, the Group will have sufficient working capital for at least the next 12 months commencing from the date of this circular in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

Reference is made to the annual results announcement of the Company dated 17 March 2026 and the annual report of the Company for the year ended 31 December 2025, which disclosed that the Company recorded a loss of approximately RMB36.5 million for the year ended 31 December 2025. Such loss was mainly attributable to the decrease in revenue and gross profit and the recognition of impairment losses on trade and other receivables and contract assets.

Save as disclosed above, the Directors confirm that there has 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 statements of the Group were made up, and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

According to the "Outline of the 15th Five-Year Plan for National Economic and Social Development", China will accelerate the modernisation and transformation of traditional industries, including construction, by promoting intelligent, green and integrated development. It will build a modernised infrastructure system while vigorously promoting green buildings, intelligent construction, renewable energy infrastructure, urban renewal and digital transformation of the construction industry, in order to achieve high quality and sustainable growth. Guangdong Province's "15th Five-Year Plan" also emphasises technological self-reliance, the optimisation and strengthening the real economy, and coordinated regional development, supporting innovation in infrastructure and the construction industry. Driven by continued national and provincial policies, demand for construction services is expected to maintain steady growth. The total output value of Guangdong's construction industry is projected to sustain stable growth in the coming years, driven by investments in energy, infrastructure, green projects, and urban renewal. In view of the above, the Group will leverage its many years of professional accumulation and expertise, focusing on areas such as green buildings, smart construction, and full-process engineering solutions, to continuously expand its market share and seize more development opportunities.

Following the completion of the acquisition of Huajian Development Limited ("**Huajian**"), the Group expects to integrate Huajian's engineering consulting and supervision expertise into the Group's existing service system. This integration is anticipated to strengthen full-chain engineering capabilities, reduce project risks and costs, improve delivery quality, and enhance the integrated service brand in the market. The Group plans to leverage its nationwide network to expand Huajian's services beyond the Pearl River Delta and to further enhance Huajian's capabilities through the Group's training and resource platforms.

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

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

Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise. The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the "**Unaudited Pro Forma Financial Information**") which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 as if the Rights Issue had taken place on 31 December 2025.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025, as extracted from the published annual report of the Group for the year ended 31 December 2025, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2025 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 *(Note 1)* *RMB'000*	Unaudited estimated net proceeds from the Rights Issue *(Note 2)* *RMB'000*	Unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 *(Note 3)* *RMB'000*
	550,871	306,263	857,134
Audited consolidated net tangible assets of the Group per existing Share as at 31 December 2025 before completion of the Rights Issue *(Note 4)*			RMB0.481
Unaudited pro forma statement of adjusted consolidated net tangible assets of the Group per adjusted share immediately after completion of the Rights Issue *(Note 5)*			RMB0.250

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 is extracted from the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB555,832,000 as adjusted by exclusion of intangible assets of approximately RMB4,961,000 as shown in the annual report of the Group for the year ended 31 December 2025.

2. The estimated net proceeds from the Rights Issue are based on 2,288,567,396 Rights Shares at the Subscription Price of HK$0.15 (equivalent to approximately RMB0.13) per Rights Share, after deducting all necessary estimated expenses of approximately HK$2,000,000 (equivalent to approximately RMB1,800,000) which are directly attributable to the Rights Issue.

3. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue represents the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 plus the estimated net proceeds from the Rights Issue as set out in note 2 above, as appropriate.

4. The audited consolidated net tangible assets of the Group per existing Share before completion of the Rights Issue is determined based on the amount as disclosed in note 1 above, divided by 1,144,283,698 existing shares immediately before completion of the Right Issue, which have taken into account the allotment and issue of 402,971,698 consideration shares on 15 January 2026 in related to the acquisition of the entire equity interests of Huajian Development Limited and its subsidiaries.

5. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group per adjusted share immediately after completion of the Right Issue is determined based on the amount as disclosed in note 3 above, divided by 3,432,851,094 adjusted shares assuming that the Rights Issue had been completed on 31 December 2025.

6. No adjustment has been made to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

7. For the purpose of preparation of the Unaudited Pro Forma Financial Information, the exchange rate used for HK$ to RMB is HK$1 equivalent to RMB0.89 and vice versa.

The following is text of a report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants of the Company, Crowe (HK) CPA Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group as set out in Section A of Appendix II to this circular.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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

To The Directors of Zhongshen Jianye Holding Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zhongshen Jianye Holding Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 as set out on pages II-1 to II-2 of the circular dated 30 April 2026 issued by the Company (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in pages II-1 to II-2 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 as if the Rights Issue had taken place on 31 December 2025. As part of this process, information about the Group's consolidated net tangible assets has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2025, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420, Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Circular issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the

Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

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

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

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Crowe (HK) CPA Limited
Certified Public Accountants

Hong Kong, 30 April 2026

Chiu Lung Sang
Practising Certificate Number P08091

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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; (b) immediately following the Increase in Authorised Share Capital becoming effective but before the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion); and (c) immediately following completion of the Rights Issue (assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full and there is no change to the total issued share capital of the Company on or before the Record Date) were as follows:

(a) As at the Latest Practicable Date

		HK$
Authorised:		
2,000,000,000	Shares of HK$0.01 each	20,000,000.00
Issued and fully paid:		
1,144,283,698	Shares of HK$0.01 each	11,442,836.98

(b) Immediately following the Increase in Authorised Share Capital becoming effective but before the completion of the Rights Issue

		HK$
Authorised:		
5,000,000,000	Shares of HK$0.01 each	50,000,000.00
Issued and fully paid:		
1,144,283,698	Shares of HK$0.01 each	11,442,836.98

(c) Immediately following completion of the Rights Issue

		HK$
Authorised:		
5,000,000,000	Shares of HK$0.01 each	50,000,000.00
Issued and fully paid:		
3,432,851,094	Shares of HK$0.01 each	34,328,510.94

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. 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 in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Neither part of the equity or debt securities of the Company is listed or dealt in, and no listing or permission to deal in any such securities is being or is proposed to be sought, on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As of the Latest Practicable Date, the Company had no outstanding convertible securities, options, or warrants in issue that confer any right to subscribe for, convert, or exchange into Shares. There is no treasury share held by the Company or its subsidiary or through any agent or nominee.

As of the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

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

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interest or short position 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) (i) which 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the Shares and the underlying Shares

Name	Capacity/nature of interest	Number of Shares held/interested[1]	Approximate percentage of shareholding
Mr. Sang	Interest of controlled corporation	284,172,240 (L)[2]	24.83%
Mr. Xian	Interest of controlled corporation	71,040,560 (L)[3]	6.21%

Notes:

(1) The letter "L" denotes long positions of the shares.

(2) These represent the shares held by Zhongshen Hengtai, a company wholly-owned by Mr. Sang.

(3) These represent the shares held by Zhongshen Chitai, a company wholly-owned by Mr. Xian.

(b) Interests of substantial Shareholders and other person

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares and the underlying Shares

Name	Capacity/nature of interest	Number of Shares held/interested[(1)]	Approximate percentage of shareholding
Zhongshen Hengtai	Beneficial owner	284,172,240 (L)	24.83%
Zhongshen Chitai	Beneficial owner	71,040,560 (L)	6.21%
Ms. Jin Wei	Interest of spouse	71,040,560 (L)[(2)]	6.21%
Huajian Investment	Beneficial owner	270,502,674 (L)	23.64%
Mr. Wang Yan	Interest of controlled corporation	270,502,674 (L)[(3)]	23.64%
Ms. Wang Shili	Interest of spouse	270,502,674 (L)[(4)]	23.64%
Huajian Advisory	Beneficial owner	115,929,718 (L)	10.13%
Mr. Sang Haifeng	Interest of controlled corporation	115,929,718 (L)[(5)]	10.13%
Ms. Chen Xiaoli	Interest of spouse	115,929,718 (L)[(6)]	10.13%

Notes:

(1) The letter "L" denotes long positions of the shares.

(2) Ms. Jin Wei is the spouse of Mr. Xian Yurong. By virtue of the SFO, Ms. Jin Wei is deemed to be interested in all the Shares in which Mr. Xian is interested.

(3) These represent the shares held by Huajian Investment, a company wholly-owned by Mr. Wang Yan.

(4) Ms. Wang Shili is the spouse of Mr. Wang Yan. By virtue of the SFO, Ms. Wang Shili is deemed to be interested in all the Shares in which Mr. Wang Yan is interested.

(5) These represent the share held by Huajian Advisory, a company wholly-owned by Mr. Sang Haifeng.

(6) Ms. Chen Xiaoli is the spouse of Mr. Sang Haifeng. By virtue of the SFO, Ms. Chen Xiaoli is deemed to be interested in all the Shares in which Mr. Sang Haifeng is interested.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTOR'S INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, (a) none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025 (being the date to which the latest published audited accounts of the Group were made up); and (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholder of the Company nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed pursuant to the Listing Rules.

7. MATERIAL LITIGATION

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

8. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular:

Name	Qualification
Crowe (HK) CPA Limited	certified public accountants
Rainbow Capital (HK) Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the above experts confirmed that it (a) did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and (b) was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the members of the Group during two years preceding the Latest Practicable Date:

(a) the Placing Agreement; and

(b) the sale and purchase agreement dated 6 November 2025 entered into between the Company (as buyer) and Huajian Investment Limited, Huajian Advisory Limited and Huajian Technology Limited (as sellers) in relation to the acquisition of the total number of issued shares of Huajian Development Limited at a total consideration of HK$213,574,999.9.

10. CORPORATE INFORMATION

Board of Directors	*Executive Directors:* Mr. Sang Xianfeng *(Chairman)* Mr. Xian Yurong *(Chief Executive Officer)* *Independent non-executive Directors:* Ms. Liu Zhihong Mr. Zeng Qingli Mr. Xie Huagang *Audit Committee:* Ms. Liu Zhihong *(Chairlady)* Mr. Zeng Qingli Mr. Xie Huagang *Remuneration Committee:* Mr. Xie Huagang *(Chairman)* Ms. Liu Zhihong Mr. Zeng Qingli *Nomination Committee:* Mr. Zeng Qingli *(Chairman)* Ms. Liu Zhihong Mr. Xie Huagang
Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and principal place of business in PRC	8/F, Block B, Building 4 Huaqiang Creative Industrial Park Guangming Street Guangming District Shenzhen PRC
Principal place of business in Hong Kong	Room 1204, 12/F C C Wu Building 302–308 Hennessy Road Wan Chai Hong Kong

Principal share registrar and transfer office	**Conyers Trust Company (Cayman) Limited** Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Company Secretary	Mr. Ng Ka Chai *(a member of the Hong Kong Institute of Certified Public Accountants)*
Authorised representatives	Mr. Xian Yurong Room 1204, 12/F C C Wu Building 302–308 Hennessy Road Wan Chai Hong Kong Mr. Ng Ka Chai Room 1204, 12/F C C Wu Building 302–308 Hennessy Road Wan Chai Hong Kong
Principal bankers	**China Construction Bank** Office Building of Housing Bureau Hongli West Road Futian District, Shenzhen Guangdong China **Shenzhen Futian Yinzuo Rural Bank** F1 Floor, Podium Building World Trade Plaza, Fuhong Road Futian District, Shenzhen Guangdong China

11. PARTIES INVOLVED IN THE RIGHTS ISSUE

The Company	8/F, Block B, Building 4 Huaqiang Creative Industrial Park Guangming Street Guangming District Shenzhen PRC Room 1204, 12/F C C Wu Building 302–308 Hennessy Road Wan Chai Hong Kong
Legal adviser to the Company	**Loeb & Loeb LLP** 2206–19, Jardine House 1 Connaught Place Central Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	**Rainbow Capital (HK) Limited** Office No. 710, 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong
Auditor and reporting accountant	**Crowe (HK) CPA Limited** 9/F, Leighton Centre 77 Leighton Road Causeway Bay Hong Kong
Placing Agent	**Beta International Securities Limited** Room 3326, 33/F China Merchants Tower Shun Tak Centre Sheung Wan Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Sang Xianfeng, ("**Mr. Sang**"), aged 30, is one of the co-founders of our Group. Mr. Sang is an executive Director and the Chairman of our Board, and he is mainly responsible for our Group's strategic planning and supervision of implementation of our Group's policies. Mr. Sang is the director of 13 subsidiaries of the Company. Mr. Sang joined our Group in June 2017.

Save for Mr. Sang Yongwei (桑永威), a senior management of the Company, is the first cousin once removed (堂侄子) of Mr. Sang, Mr. Sang has no other relationship with any Director, senior management or substantial Shareholder or controlling Shareholder of the Company.

Mr. Sang graduated from Northeastern University in the PRC (東北大學) majoring in construction engineering technology (online education) (建築工程技術(網絡教育)專科學習) in July 2020. He completed a new practical real estate advanced strategy course* (新實戰型房地產高級戰略研修班) at Tsinghua Shenzhen International Graduate School (清華大學深圳國際研究生院) in August 2022.

Prior to joining Group, Mr. Sang worked for Shenzhen Jianan Real Estate Engineering Co., Ltd.* (深圳建安置業工程有限公司), a company principally engaged in real estate development and construction, from April 2016 to May 2017 and he last served as a marketing manager mainly in charge of the day-to-day work of the operation department.

Mr. Xian Yurong ("**Mr. Xian**"), aged 40, is one of the co-founders of our Group. Mr. Xian is an executive Director and chief executive officer of the Company, and he is mainly responsible for our Group's strategic planning and supervision of implementation of Group's policies. Mr. Xian is the director of 10 subsidiaries of the Company. Mr. Xian joined our Group in June 2017.

Mr. Xian graduated from the Shantou Polytechnic (汕頭職業技術學院) majoring in construction engineering management (engineering budgeting) (建築工程管理(工程造價)專科學習) in July 2009 and obtained a bachelor's degree in civil engineering (online education) from the Huazhong University of Science and Technology (華中科技大學) in July 2016. He completed a new practical real estate advanced strategy course* (新實戰型房地產高級戰略研修班) at Tsinghua Shenzhen Graduate School (清華大學深圳研究生院) in August 2018. He completed the EMBA program (高級管理人員工商管理課程) at Cheung Kong Graduate School of Business (長江商學院) in October 2024. He was awarded "The Fourth Top 100 New Generation Entrepreneurs in Shenzhen" (第四屆百名深圳新生代創業風雲人物) by Shenzhen Enterprise Confederation* (深圳市企業聯合會), Shenzhen Entrepreneur Association* (深圳市企業家協會), Shenzhen Press Group* (深圳報業集團) and Shenzhen Radio and Television Group Times Business Magazine* (深圳廣電集團《時代商家》雜誌社) in December 2021 and granted the Honest Entrepreneur Certificate by Yixu Credit Rating Limited* (宜旭信用評級有限公司) in May 2022.

Mr. Xian served as the vice president of Shenzhen Enterprise Confederation* (深圳市企業聯合會) and Shenzhen Entrepreneur Association* (深圳市企業家協會) from July 2020 to July 2021.

Prior to joining our Group, Mr. Xian served as a budget appraiser in Heyuan City Construction Engineering Co., Ltd.* (河源市城市建設工程有限公司), a company principally engaged in municipal and public works construction from July 2009 to June 2010 and was mainly responsible for conducting cost budgeting including performing estimates according to the construction drawing plans, compiling the construction cost control plan, calculating the construction cost and issuing a cost control summary upon completion. From October 2010 to March 2013, Mr. Xian served as a costs accounting specialist in Shenzhen Futian Jianan Construction Group Co., Ltd.* (深圳市福田建安建設集團有限公司), a company principally engaged in housing construction engineering and municipal and public works construction and was mainly responsible for conducting cost estimate and control, performing business liaison including liaising with the tenderer, carrying out on-site survey, preparing bidding documents and participating in business negotiations. From May 2013 to May 2017, Mr. Xian served as a deputy general manager at Shenzhen Jianan Real Estate Engineering Co., Ltd.* (深圳建安置業工程有限公司), a company principally engaged in real estate development and construction and was mainly responsible for daily operation management including leading in the development of a supplier database, compiling project construction costs, determining the target costs as well as conducting business negotiations based on set target values

Independent non-executive Directors

Ms. Liu Zhihong ("**Ms. Liu**"), aged 48, was appointed as an independent non-executive Director on 19 December 2023. She also serves as the chairlady of the audit committee of the Board (the "**Audit Committee**") and a member of the remuneration committee of the Board (the "Remuneration Committee") and the nomination committee of the Board (the "**Nomination Committee**") and is responsible for supervising and providing independent opinion and judgement to our Board. Ms. Liu obtained a master's degree in business administration in Peking University (北京大學) in January 2020. She is a member of The Chinese Institute of Certified Public Accountants. Since April 2021, Ms. Liu has been a senior wealth management manager at AIA Hong Kong, where she is primarily responsible for provision of professional financial services, wealth management and portfolio advice.

Ms. Liu has over 19 years of experience in the accounting sector. From July 2000 to March 2008, Ms. Liu worked at Beijing Shu Lun Pan Certified Public Accountants Co., Ltd. (北京立信會計師事務所有限公司) and her last position was a senior auditor. From March 2008 to December 2012, Ms. Liu worked at BDO Limited and her last position was an assistant manager. From October 2016 to March 2021, Ms. Liu worked as a financial controller at Tonking New Energy Group Holdings Limited (stock code: 8326), the shares of which were listed on GEM of the Stock Exchange. Since June 2023, she has been appointed as the independent non-executive director, chairlady of the audit committee, chairlady of the remuneration committee and member of the nomination committee of China Oil and Gas Group Limited (stock code: 603), the shares of which are listed on Main Board of the Stock Exchange.

Mr. Zeng Qingli ("**Mr. Zeng**"), aged 49, was appointed as an independent non-executive Director on 19 December 2023. He also serves as the chairman of Nomination Committee and a member of Audit Committee and Remuneration Committee and is responsible for supervising and providing independent opinion and judgement to our Board. Mr. Zeng obtained a bachelor's degree in laws (major in economic law) from the Henan Institute of Finance and Economics (now known as Henan University of Economics and Law) (河南財經政法大學(河南財經學院)) in July 2001. Mr. Zeng became a qualified lawyer in the PRC in June 2001.

Mr. Zeng has over 23 years of experience in the legal industry. From August 2002 to August 2011, Mr. Zeng served as a practicing lawyer focusing on the provision of legal services in the engineering and real estate sector at Guangdong Jiguang Law Firm* (廣東吉光律師事務所). Since September 2011, Mr. Zeng has been the principal lawyer (主任律師) at Guangdong Juhang Law Firm* (廣東巨航律師事務所), where he is primarily responsible for the provision of legal services in the construction engineering sector.

Mr. Xie Huagang ("**Mr. Xie**"), aged 47, was appointed as an independent non-executive Director on 19 December 2023. He also serves as the chairman of Remuneration Committee and a member of Audit Committee and Nomination Committee and is responsible for supervising and providing independent opinion and judgement to our Board. Mr. Xie obtained a bachelor's degree in civil engineering from the Jiaozuo Institute of Technology (焦作工學院) (now known as Henan Polytechnic University) (河南理工大學) in July 2003, a master's degree in engineering mechanics from the Henan Polytechnic University (河南理工大學) in June 2006 and a doctoral degree in engineering (geotechnical engineering) from the Hohai University (河海大學) in December 2011.

Mr. Xie has over 19 years of experience in engineering education. Since August 2006, Mr. Xie has been the professor (master's supervisor) at the School of Civil Engineering, Tongling University (銅陵學院), where he is primarily responsible for teaching civil engineering related lectures and courses.

Senior Management

Mr. Guo Tengfei (郭騰飛) ("**Mr. Guo**"), aged 38, is the financial manager and is mainly responsible for the overall financial management of the Group. He graduated from the Kaifeng University (開封大學) majoring in computerised accounting (會計電算化專科學習) in July 2009. Mr. Guo was registered as a certified public accountant by The Chinese Institute of Certified Public Accountants in November 2015.

Mr. Wu Jianmin (吳堅民) ("**Mr. Wu**"), aged 30, is the audit manager and is mainly responsible for the overall accounting and audit matters. He graduated from Guangdong Polytechnic of Water Resources and Electric Engineering (廣東水利電力職業技術學院) majoring in environmental geological engineering technology (環境地質工程技術專科學習) in June 2017.

Mr. Zhang Lei (張磊) ("**Mr. Zhang**"), aged 43, is the operating manager and is mainly responsible for the overall operation and management of the Group. Mr. Zhang obtained a bachelor's degree in project cost and management (self-education) from the Nanchang University (南昌大學) in December 2016. Mr. Zhang was qualified as a senior engineer under the Qualification Certificate of Senior Professional Technical Position in December 2016.

Mr. Sang Yongwei (桑永威) ("**Mr. YW Sang**"), aged 34, is the human resources manager and is mainly responsible for the overall human resources and administrative management of the Group. He obtained a bachelor's degree in human resources management from the Zhengzhou University of Aeronautics (鄭州航空工業管理學院) in July 2015 and was qualified as a third level corporate human resources professional in December 2013 by the Occupational Skill Testing Authority of the Ministry of Human Resources and Social Security (人力資源和社會保障部職業技能鑒定中心).

Mr. Wang Xuguang (王旭光) ("**Mr. Wang**"), aged 50, is the engineering manager and is mainly responsible for the overall project management construction matters of the Group. Mr. Wang graduated from the Henan Radio & Television University (河南廣播電視大學) (now known as the Open University of Henan) (河南開放大學) majoring in industrial and civil construction (工業與民用建築專科學習) in July 1997. He was qualified as an assistant engineer on industrial and civil engineering in December 2000 by the Henan Construction Department* (河南省建設廳) and registered as an associate constructor (二級建造師) in construction engineering in January 2020 and municipal public works in April 2021 by the Department of Housing and Urban-Rural Development of Guangdong Province* (廣東省住房和城鄉建設廳). Mr. Wang possesses years of experience in the construction engineering industry.

Mr. Liu Chuanwen (劉傳文) ("**Mr. Liu**"), aged 55, is the manager in the technical department and is mainly responsible for providing technical support and research and development and quality management for projects of the Group. He obtained a bachelor's degree in civil engineering (online education) from the China University of Geosciences, Beijing (中國地質大學(北京)) in January 2006. He was registered as a constructor (一級建造師) in construction engineering in June 2021 by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部).

* *For identification purpose only*

Business address of the Directors and senior management

The business address of the Directors and senior management is the same as the Company's principal place of business in Hong Kong at Room 1204, 12/F, C C Wu Building, 302–308 Hennessy Road, Wan Chai, Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "**Audit Committee**") comprised of, namely Ms. Liu Zhihong (the Chairlady of the Audit Committee), Mr. Zeng Qingli and Mr. Xie Huagang. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed "12. Particulars of the Directors and senior management" in this appendix. The primary role and function of the Audit Committee are to oversee the relationship with the external auditors, to review the Group's interim results and annual results and to monitor compliance with statutory and listing requirements.

14. EXPENSES

The expenses in connection with the Rights Issue, including placing commission and professional fees payable to financial advisers, legal adviser, reporting accountants, financial printer and other parties involved in the Rights Issue are estimated to be approximately HK$2.0 million, which are payable by the Company.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.zsjy.top) for 14 days from the date of this circular:

(a) the material contract disclosed in the paragraph under the heading "9. Material Contracts" in this Appendix to this circular;

(b) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 38 of this circular;

(c) the letter of advice from Independent Financial Adviser, the text of which is set out on pages 39 to 66 of this circular;

(d) the independent reporting accountants' assurance report on the unaudited pro forma financial information of the Group set out in Appendix II to this circular;

(e) the written consents of the experts referred to in the section headed "8. Experts and Consents" in this Appendix; and

(f) this circular.

16. MISCELLANEOUS

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

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

(c) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Zhongshen Jianye Holding Limited (the "**Company**") will be held at 8/F, Block B, Building 4, Huaqiang Creative Industrial Park, Guangming Street, Guangming District, Shenzhen, the PRC on Monday, 18 May 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

   (a) the authorised share capital of the Company be and is hereby increased 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 (the "**Increase in Authorised Share Capital**") and to do all things and execute all document in connection with or incidental to the Increase in Authorised Share Capital.

   (b) the directors of the Company be and are hereby authorised to execute all such documents, instruments and agreements and to do all such acts or things they consider necessary, desirable or expedient to give effect to or in connection with the matters contemplated in and for completion of the Increase in Authorised Share Capital."

2. "**THAT** subject to and conditional upon (i) The Stock Exchange of Hong Kong Limited granting or agreeing to grant (subject to allotment) and not having revoked the listing of and permission to deal in the Rights Shares (as defined below) to be allotted and issued to the shareholders of the Company (the "**Shareholder(s)**") pursuant to the terms and

conditions of the Rights Issue (as defined below); (ii) the Placing Agreement (as defined below) becoming unconditional and not being terminated in accordance with its terms; and (iii) the Increase in Authorised Share Capital becoming effective:

(a) the issue by way of rights issue (the "**Rights Issue**") of up to 2,288,567,396 ordinary shares (the "**Rights Share(s)**") at the subscription price of HK$0.15 per Rights Share to the qualifying shareholders (the "**Qualifying Shareholders**") of the Company whose names appear on the register of members of the company on the date (the "**Record Date**") by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the "**Non-Qualifying Shareholders**") with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of two (2) Rights Shares for every one (1) share of the Company then held on the Record Date at the subscription price of HK$0.15 per Rights Share and otherwise on the terms and conditions set out in the circular of the Company dated 30 April 2026 (the "**Circular**") be and is hereby approved;

(b) the placing agreement (the "**Placing Agreement**") dated 26 March 2026 and entered into between the Company and Beta International Securities Limited (a copy of which has been produced to the EGM marked "A" and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(c) the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Directors may (i) make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as they may deem necessary, desirable or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and (ii) not offer for application under forms of excess application for any Rights Shares provisionally allotted but not accepted; and

(d) the Directors be and are hereby authorised to sign or execute such documents and do all such acts and things in connection with the allotment and issue of the Rights Shares, the implementation of the Rights Issue and the Placing Agreement, the exercise or enforcement of any of the Company's rights under the Placing Agreement and to make and agree to make such variations of the terms of the Placing Agreement as they may in their discretion consider to be appropriate, necessary, desirable or expedient to carry out, to give effect to or in connection with the Rights Issue or any transaction contemplated thereunder."

Yours faithfully,
For and on behalf of the Board
Zhongshen Jianye Holding Limited
Sang Xianfeng
Chairman

Hong Kong, 30 April 2026

Notes:

1. A form of proxy for use at the EGM or any adjournment thereof is enclosed.

2. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at the above meeting.

3. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at 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 not less than 48 hours (i.e. 3:00 p.m. on Saturday, 16 May 2026) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.

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

5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

6. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the EGM.

7. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at 12:00 noon on the date of the extraordinary general meeting of the Company, the meeting will be postponed. The Company will post an announcement on its website (http://www.zsjy.top) and designated website of the Stock Exchange (http://www.hkexnews.hk) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.

8. As at the date of this notice, the Board comprises Mr. Sang Xianfeng and Mr. Xian Yurong as executive Directors; and Ms. Liu Zhihong, Mr. Zeng Qingli and Mr. Xie Huagang as independent non-executive Directors.