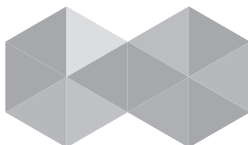

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Wanjia Group Holdings Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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



WANJIA GROUP
萬嘉集團

WANJIA GROUP HOLDINGS LIMITED

萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

- (I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE
(1) RIGHTS SHARE FOR EVERY ONE
(1) SHARE HELD ON THE RECORD DATE;
(III) PLACING AGREEMENT UNDER THE COMPENSATORY ARRANGEMENTS;
AND
(IV) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser to the Company



INCUB Corporate Finance Limited

Placing Agent



京基證券集團
KINGKEY SECURITIES GROUP

Kingkey Securities Group Limited

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



金融有限公司
OCTAL Capital Limited

Octal Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular. A letter from the Independent Board Committee is set out on pages 38 to 39 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-22 of this circular.

A notice convening the EGM to be held at Suite 1801, 18/F., Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong, on Tuesday, 10 February 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The Shares will be dealt in on an ex-rights basis from 9:00 a.m. on Thursday, 12 February 2026. Dealings in the Rights Shares in their nil-paid form will take place from 9:00 a.m. on Monday, 2 March 2026 to close of business on Monday, 9 March 2026 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Monday, 2 March 2026 to Monday, 9 March 2026 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

21 January 2026

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DEFINITIONS

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

“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Wanjia Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 401)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Suite 1801, 18/F., Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong, on Tuesday, 10 February 2026 at 11:00 a.m. to consider and, if thought fit, approve, among other things, the Rights Issue, the Placing Agreement and the Increase in Authorised Share Capital

DEFINITIONS

“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$50,000,000 divided into 1,000,000,000 Shares to HK\$100,000,000 divided into 2,000,000,000 Shares by creating an additional 1,000,000,000 unissued Shares
“Independent Board Committee”	the independent committee of the Board, comprising Dr. Liu Yongping, Ms. Chan Wing Shan Winsome and Ms. Xu Wei, being all of the independent non-executive Directors, which has been established to give recommendation to the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Rights Issue and as to the voting at the EGM
“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) independent of the Company and any connected person(s) of the Company and not a connected person of the Company

DEFINITIONS

“Irrevocable Undertaking”	the irrevocable undertakings given by Power King in favour of the Company and described in the sub-section headed “The Irrevocable Undertaking”
“Last Trading Day”	30 December 2025, being the last trading day of the Shares before the release of the Rights Issue Announcement
“Latest Practicable Date”	16 January 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 12 March 2026
“Latest Time for Termination”	4:00 p.m. on Thursday, 26 March 2026
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Jia Jun, being the executive Director and the spouse of Ms. Yung
“Ms. Yung”	Ms. Yung Ka Lai, being the spouse of Mr. Wang
“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 and ES Unsold Rights Shares placed by the Placing Agent and/or its sub-placing agent(s) under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, or Excluded Shareholders (as the case may be)
“Option Holders”	holders of the outstanding Share Options

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to independent placee(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be Independent Third Party(ies), during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Kingkey Securities Group Limited, a licensed corporation to carry out Type 1 (Dealing in securities) and Type 4 (Advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 30 December 2025, entered into between the Company and the Placing Agent in relation to the Compensatory Arrangements
“Placing Period”	the period commencing from Friday, 20 March 2026 and ending at 4:00 p.m. on Wednesday, 25 March 2026
“Posting Date”	Thursday, 26 February 2026 or such other date as may be determined by the Company, being the date of which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Power King”	Power King Investment Development Limited, a company established in British Virgin Islands, which is the legal and beneficial owner of 156,862,198 Shares and is wholly-owned by Ms. Yung
“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

DEFINITIONS

“Prospectus”	the prospectus to be issued to the Qualifying Shareholders (and the Excluded Shareholders for information only) containing, among other things, details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Wednesday, 25 February 2026, or on such other date as may be determined the Company, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every one (1) Share in issue on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Issue Announcement”	The announcement of the Company dated 30 December 2025 in relation to, among other things, the Increase in Authorised Share Capital and the Rights Issue
“Rights Share(s)”	up to 560,222,136 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) or up to 641,015,190 Shares (assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.05 each in the share capital of the Company

DEFINITIONS

“Share Option(s)”	the 80,793,054 outstanding share options of the Company to subscribe for 80,793,054 Shares with the exercise price from HK\$0.094 to HK\$0.668 per Share granted pursuant to the 2013 Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.08 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed to this term under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders or holders of nil-paid rights
“2013 Share Option Scheme”	the share option scheme of the Company adopted on 24 September 2013
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Increase in Authorised Share Capital and the Rights Issue is set out below and is subject to change. Any such change will be announced by the Company as and when appropriate.

Event	Date (Hong Kong time)
Despatch of the Circular together with notice of EGM and proxy form for EGM	On or before Wednesday, 21 January 2026
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Tuesday, 3 February 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Wednesday, 4 February 2026 to Tuesday, 10 February 2026
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Sunday, 8 February 2026
Record date for attendance and voting at the EGM	Tuesday, 10 February 2026
Expected date and time of the EGM	11:00 a.m. on Tuesday, 10 February 2026
Announcement of the poll results of the EGM	Tuesday, 10 February 2026
Effective date of the Increase in Authorised Share Capital	Wednesday, 11 February 2026
Register of members re-opens	Wednesday, 11 February 2026
 The following events are conditional upon the results of the EGM and therefore the dates are tentative only.	
Last day of dealings in the Shares on cum-rights basis	Wednesday, 11 February 2026

EXPECTED TIMETABLE

Event	Date (Hong Kong time)
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue	Thursday, 12 February 2026
Latest date and time for lodging transfer documents of the Shares in order for the transferees to qualify for the Rights Issue	4:30 p.m. on Friday, 13 February 2026
Closure of register of members to determine the eligibility of the Rights Issue (both days inclusive)	Monday, 16 February 2026 to Wednesday, 25 February 2026
Record date for the Rights Issue	Wednesday, 25 February 2026
Register of members re-opens	Thursday, 26 February 2026
Despatch of the Prospectus Documents (including the PAL and the Prospectus) (in case of the Excluded Shareholders, the Prospectus only)	Thursday, 26 February 2026
First day of dealings in nil-paid Rights Share	Monday, 2 March 2026
Latest time for splitting the PAL	4:30 p.m. on Wednesday, 4 March 2026
Last day of dealing in nil-paid Rights Shares	Monday, 9 March 2026
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 12 March 2026
Announcement of the number of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Placing	Thursday, 19 March 2026

EXPECTED TIMETABLE

Event	Date (Hong Kong time)
Commencement of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent (if there are any Unsubscribed Rights Shares and ES Unsold Rights Shares available)	Friday, 20 March 2026
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent and ES Unsold Rights Shares (if any)	4:00 p.m. on Wednesday, 25 March 2026
Latest time for the Rights Issue and the Placing to become unconditional	Thursday, 26 March 2026
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	Tuesday, 31 March 2026
Despatch of share certificates of fully-paid Rights Shares and/or refund cheques, if any, in respect of wholly or partially unsuccessful applications	Wednesday, 1 April 2026
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 2 April 2026
Payment of the Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Thursday, 9 April 2026

All time and date references contained in this circular shall refer to Hong Kong local time and dates.

This timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced by the Company as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons, or a “black” rainstorm warning is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the deadline for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the deadline for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected Timetable” may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



WANJIA GROUP
萬嘉集團

WANJIA GROUP HOLDINGS LIMITED **萬嘉集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

Executive Director:

Mr. Wang Jia Jun

Non-Executive Director:

Dr. Xiao Zhixin

Independent Non-executive Directors:

Dr. Lin Yongping

Ms. Chan Wing Shan Winsome

Ms. Xu Wei

Registered office:

Vistra (Cayman) Limited

P.O. Box 31119

Grand Pavilion Hibiscus Way

802 West Bay Road Grand Cayman

KYI-1205 Cayman Islands

Principal place of business in Hong Kong:

Suite 1801, 18/F., Tower 1

The Gateway, Harbour City

25 Canton Road,

Kowloon

Hong Kong

21 January 2026

To the Shareholders

Dear Sir/Madam,

(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE
(1) RIGHTS SHARE FOR EVERY ONE
(1) SHARE HELD ON THE RECORD DATE;
(III) PLACING AGREEMENT UNDER
THE COMPENSATORY ARRANGEMENTS;
AND
(IV) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Rights Issue Announcement in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement and the respective transactions contemplated thereunder.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of (a) the Increase in Authorised Share Capital; (b) the Rights Issue; and (c) the Placing Agreement and the respective transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM.

(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the EGM by Shareholders of an increase in the authorised share capital of the Company from HK\$50,000,000 divided into 1,000,000,000 Shares to HK\$100,000,000 divided into 2,000,000,000 Shares by creating an additional 1,000,000,000 unissued Shares.

In order to accommodate growth of the Group and to provide the Company with greater flexibility to raise funds by the Rights Issue, the Board proposed the Increase in Authorised Share Capital. Therefore, the Board believes the Increase in Authorised Share Capital are in the interests of the Company and the Shareholders as a whole.

The new Shares authorised to be allotted and issued by the Company shall rank *pari passu* with the existing Shares upon issue. The Increase in Authorised Share Capital is subject to the approval by the Shareholders by way of an ordinary resolution at the EGM.

(II) PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place upon the Increase in Authorised Share Capital having become effective, with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.08 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	560,222,136 Shares

LETTER FROM THE BOARD

Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to (i) 560,222,136 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) 641,015,190 Rights Shares (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to (i) HK\$28,011,106.8 (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) HK\$32,050,759.5 (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	(i) 1,120,444,272 (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue); or (ii) 1,282,030,380 (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
Gross proceeds from the Rights Issue	:	(i) approximately HK\$44.82 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$51.28 million before expenses (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)

LETTER FROM THE BOARD

- Net proceeds from the Rights Issue : (i) approximately HK\$40.82 million after expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$47.28 million after expenses (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
- Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) : (i) approximately HK\$0.073 per Rights Share (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$0.074 per Rights Share (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
- Rights of excess application and underwriter : There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.
- Compensatory Arrangements : Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements.

Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

At the Latest Practicable Date, there are 80,793,054 outstanding Share Options, which entitle holders thereof to subscribe for 80,793,054 Shares under the 2013 Share Option Scheme. The exercise price of the outstanding Share Options ranges from HK\$0.094 to HK\$0.668 per Share. Save for the aforesaid, the Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert into or exchange for Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 560,222,136 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 50.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming no Shares are issued or repurchased, other than as a result of the issue of new Shares upon full exercise of the outstanding Share Options in full by the Option Holders and the Rights Shares, from the Latest Practicable Date up to and including the Record Date, not more than 641,015,190 Rights Shares will be allotted and issued upon completion of the Rights Issue, representing (i) approximately 114.4% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 50.0% of the issued share capital of the Company as enlarged by the issue of the Rights Shares and the issue of new Shares upon full exercise of the outstanding Share Options.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent places on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are 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 are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement 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 the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

The Company had approached several securities firms to arrange underwriting or placing services in respect of the Rights Issue. The Company only received the intention from the Placing Agent to take up the role of Placing Agent to place down the Unsubscribed Rights Shares and ES Unsold Rights Shares, if any, on a best effort basis.

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price is HK\$0.08 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 23.81% to the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 31.62% to the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 27.27% to the average of the closing prices of approximately HK\$0.110 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 25.93% to the average of the closing prices of approximately HK\$0.108 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 18.78% to the theoretical ex-rights price of approximately HK\$0.0985 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 15.81% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.0985 per Share and the benchmarked price of approximately HK\$0.117 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.117 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.108 per Share); and
- (vii) a discount of approximately 33.33% to the consolidated net asset value per Share of approximately HK\$0.12 (based on the latest published consolidated net asset value of the Company of HK\$67,171,000 as at 30 September 2025 and 560,222,136 Shares in issue as at 31 December 2025).

LETTER FROM THE BOARD

Determination of the Subscription Price

The Subscription Price was determined by the Company with reference to, among others, the following factors:

(i) Recent closing prices of the Shares

During the twelve-month period commencing from 30 December 2024 to the Last Trading Day (the “**Period**”), the daily closing prices of the Shares ranged from HK\$0.049 per Share to HK\$0.168 per Share, with the average closing price recorded at approximately HK\$0.09 per Share (“**Average Closing Price**”). Taking into consideration that the Subscription Price of HK\$0.08 per Rights Share is within the range of the daily closing prices of the Shares during the Period and a discount of approximately 11.11% to the Average Closing Price per Share during the Period, the Company considers that the Subscription Price is fair and reasonable.

(ii) Prevailing market conditions and financial position of the Group

In determining the Subscription Price, the Board has taken into account the relatively thin trading liquidity of the Shares during the Period, where no trading occurred on an aggregate of 65 trading days and the average daily trading volume by month ranged from approximately 0.01% to 0.15% of the total issued Shares, with a mean of 0.06%, which is significantly below the average daily trading turnover to total market capitalisation of listed securities (including Main Board and GEM listed issuers) during the Period of approximately 0.40% to 0.76%. In the absence of underwriting, the Board considers it reasonable to set the Subscription Price at a discount to incentivise Qualifying Shareholders to participate in the Rights Issue and maintain their shareholding interests.

In respect of the financial position of the Group, as at 30 September 2025, the Group recorded total liabilities of approximately HK\$39.4 million, of which (i) trade and other payables to approximately HK\$19.5 million will become due and payable within three months to six months from the Last Trading Day; and (ii) an amount due to a Director of approximately HK\$2.5 million is repayable on demand.

In light of the relatively thin trading liquidity of the Shares and the financial position of the Group, the Subscription Price was calibrated to balance the Group’s funding needs and attract Shareholders to participate in the Rights Issue and to maintain their respective shareholding interest in the Company.

LETTER FROM THE BOARD

(iii) The amount of funds the Company intends to raise under the Rights Issue

In determining the Subscription Price, the Board has considered the total amount of funds required to meet the Group's obligations and to support its business operations. The Rights Issue is structured to raise sufficient proceeds to (i) partially settle the trade and other payables due within three to six months from the Last Trading Day, (ii) repay an amount due to a Director which is repayable on demand, and (iii) provide additional working capital for the Group's operations and strategic initiatives. The Subscription Price is determined with a view to maximising the participation by Qualifying Shareholders and ensuring that the Rights Issue achieves its fundraising target in the absence of underwriting and given the relatively thin trading liquidity of the Shares. The Board considers that the Subscription Price strikes a balance between the Company's funding needs and fairness to Shareholder and avoiding more costly or onerous financing alternatives.

(iv) The reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" below

The Group will continue to operate its pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business, which complements its healthcare strategy. In addition, the Group intends to leverage its existing network and industry relationships to explore other potential investment opportunities related to medical and healthcare fields, thereby supporting long-term growth of the Group.

In view of the above, the Company intends to allocate the net proceeds of approximately HK\$17.32 million to HK\$23.78 million for the operation and development of existing pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business and any other potential investment opportunities related to medical and healthcare fields should opportunities arise.

LETTER FROM THE BOARD

As set out above, the Group's had trade and other payables of approximately HK\$19.5 million which will become due and payable within three to six months from the Last Trading Day. However, the total cash and cash equivalents were only approximately HK\$18.9 million as at 30 September 2025, which are not sufficient to settle the total amount of trade and other payables when due. As such, the Board intends to apply approximately HK\$13.5 million in aggregate of the net proceeds for the partial settlement of the trade and other payables and the amount due to a Director in order to alleviate the Group's financial burden and thereby improving the Group's financial position and gearing ratio.

In addition, the Company intends to allocate approximately HK\$10.0 million of the net proceeds to support the Group's general working capital needs and improve the Group's financial position.

Conditions of the Rights Issue

The Rights Issue will be conditional upon:

- (i) the passing by the Independent Shareholders at the EGM of ordinary resolution(s) to approve (a) the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares); and (b) the Increase in Authorised Share Capital;
- (ii) the Increase in Authorised Share Capital having become effective;
- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (iv) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (v) the Listing Division of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares by no later than the first day of their dealings;

LETTER FROM THE BOARD

- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
- (vii) compliance with and performance of all undertakings and obligations under the Irrevocable Undertaking by Power King in favour of the Company; and
- (viii) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. As at the Latest Practicable Date, none of the conditions has been satisfied.

Qualifying Shareholders

The Company will make available the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available copies of the Prospectus to them for their information only, but no PAL will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be an Excluded Shareholder.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of the Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 pm on Friday, 13 February 2026.

The last day of dealing in the Shares on cum-rights basis is Wednesday, 11 February 2026. The Shares will be dealt with on an ex-rights basis from Thursday, 12 February 2026.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

Rights of Overseas Shareholders (if any)

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue. The Company will send the Prospectus (without the PAL) to the Excluded Shareholders for their information only. For the avoidance of doubt, the Overseas Shareholders, if any, are entitled to attend and vote at the EGM.

As at the Latest Practicable Date, there are three Overseas Shareholders with registered address situated in the PRC who are interested in 52,571,124 Shares in aggregate, representing approximately 9.38% of the issued share capital of the Company.

In compliance with Rule 13.36(2) of the Listing Rules, the Company has made enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder. Based on the results of such enquiries obtained from the PRC legal advisers engaged by the Company as at the Latest Practicable Date, the Directors are of the view that the relevant overseas legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses in the PRC from the Rights Issue. As such, the Directors have decided to extend the Rights Issue to the Overseas Shareholders having registered addresses in the PRC and such Overseas Shareholders are considered as Qualifying Shareholders.

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.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company.

LETTER FROM THE BOARD

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

No fractional entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 1 April 2026. If the Rights Issue does not become unconditional, refund cheques are expected to be posted on or before Wednesday, 1 April 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Application for the Rights Shares

The PALs relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

LETTER FROM THE BOARD

The Irrevocable Undertaking

Power King is the legal and beneficial owner of 156,862,198 Shares, representing approximately 28.00% of the entire issued share capital of the Company as at the Latest Practicable Date. Power King has given an irrevocable undertaking in favour of the Company, (i) not to dispose of any of the 156,862,198 Shares registered in the name of Power King and to remain as the legal and beneficial owner of those 156,862,198 Shares up to and including the Record Date; and (ii) to subscribe for a total of 156,862,198 Rights Shares, representing its full entitlement under the Rights Issue, subject to the note to Rule 7.19(5)(b) of the Listing Rules in relation to scaling down mechanism in case of an obligation to make a general offer being triggered under the Takeovers Code.

Save as disclosed above, the Company has not received any other irrevocable commitments to accept or reject the Rights Issue as at Latest Practicable Date.

Procedures in respect of the Unsubscribed Rights Shares and ES Unsold Rights Shares and the Compensatory Arrangements

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent places for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 30 December 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to the independent places on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to independent places 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 on a pro rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Wednesday, 25 March 2026, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

LETTER FROM THE BOARD

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on 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 Excluded 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 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) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefits.

Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares

Principal terms of the Placing Agreement are summarised as follows:

Date:	30 December 2025 (after trading hours of the Stock Exchange)
Issuer:	The Company
Placing agent:	Kingkey Securities Group Limited, an Independent Third Party, a licensed corporation to carry out Type 1 (Dealing in securities) and Type 4 (Advising on securities) regulated activities under the SFO.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period:	The period commencing from Friday, 20 March 2026 and ending at 4:00 p.m. on Wednesday, 25 March 2026.
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LETTER FROM THE BOARD

Commission and expenses:	2% of the aggregate placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be):	<p>The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.</p> <p>The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares.</p>
Placees:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties.
Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.
Conditions precedent:	<p>The obligations of the Placing Agent under the Placing Agreement are conditional upon:</p> <p>(i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;</p>

LETTER FROM THE BOARD

- (ii) the passing of all necessary resolutions to be proposed at a general meeting of the Company to be convened to consider and, approve, among others, the Rights Issue, the Increase in Authorised Share Capital and the transactions contemplated thereunder;
- (iii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained;
- (iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it was repeated as at the time of completion; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions of the Placing is capable of being waived in whole or in part by the Placing Agent or the Company.

LETTER FROM THE BOARD

Termination:

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

There develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or

LETTER FROM THE BOARD

- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Company; or
- (iv) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
- (v) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion date of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) the Unsubscribed Rights Shares and the ES Rights Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed in any places as contemplated in the Placing Agreement.

The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the Placing Agreement to be on normal commercial terms.

The Company considers that the Placing Agreement will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, 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.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms with their board lot size being the same (i.e. 20,000) as their underlying Shares 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 settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees and charges

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

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

LETTER FROM THE BOARD

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of the conditions of the Rights Issue set forth above. In the event that the Rights Issue is not fully subscribed and provided the Placing Agreement has not been terminated in accordance with the provisions thereof, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. In the event of any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Compensatory Arrangements, the Rights Issue will continue to proceed but such Unsubscribed Rights Shares or ES Unsold Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Meanwhile, in the event that the Rights Issue is not fully subscribed and the Placing Agreement is terminated for whatever reasons, the Rights Issue will not proceed.

For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares and/or ES Unsold Rights Shares (if any) could eventually be successfully placed by the Placing Agent.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

At the Latest Practicable Date, the Company has 560,222,136 Shares in issue. Set out below are the changes in the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Rights Issue assuming (i) no change in the number of Shares in issue on or before the Record Date; and (ii) new Shares are allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date, for illustration purposes only:

(i) Assuming no change in the number of Shares in issue on or before the Record Date

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders other than Power King pursuant to the Irrevocable Undertaking and the Unsubscribed Rights Shares and ES Unsold Rights Shares have been fully placed by the Placing Agent under the Compensatory Arrangements		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders other than Power King pursuant to the Irrevocable Undertaking and none of the Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent under the Compensatory Arrangements	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Substantial Shareholders								
Power King (Notes 1 & 2)	156,862,198	28.00	313,724,396	28.00	313,724,396	28.00	171,304,738	29.81
Mr. Wang	520,000	0.09	1,040,000	0.09	520,000	0.05	520,000	0.09
Sub-total	157,382,198	28.09	314,764,396	28.09	314,244,396	28.05	171,824,738	29.90
Public Shareholders								
Placees	-	-	-	-	403,359,938	36.00	-	-
Other public Shareholders	402,839,938	71.91	805,679,876	71.91	402,839,938	35.95	402,839,938	70.10
Total	560,222,136	100.00	1,120,444,272	100.00	1,120,444,272	100.00	574,664,676	100.00

LETTER FROM THE BOARD

Notes:

- Power King is wholly-owned by Ms. Yung (being the spouse of Mr. Wang). Ms. Yung is deemed to be interested in the Shares owned by Power King. As such, Mr. Wang, being the executive Director, is deemed to be interested in the Shares in which Ms. Yung is interested.
- The total number of Rights Shares to be subscribed by Power King will be scaled down to the extent that it and its associates will not trigger a general offer obligation under the Takeovers Code as a result of the Rights Issue.
- Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

(ii) Assuming full exercise of the outstanding Share Options by the Option Holders on or before the Record Date

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders other than Power King pursuant to the Irrevocable Undertaking and the Unsubscribed Rights Shares and ES Unsold Rights Shares have been fully placed by the Placing Agent under the Compensatory Arrangements		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders other than Power King pursuant to the Irrevocable Undertaking and none of the Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent under the Compensatory Arrangements	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Substantial Shareholders								
Power King (Notes 1 & 2)	156,862,198	24.47	313,724,396	24.47	313,724,396	24.47	188,799,331	28.06
Mr. Wang (Note 3)	12,413,413	1.94	24,826,826	1.94	12,413,413	0.97	12,413,413	1.84
Sub-total	169,275,611	26.41	338,551,222	26.41	326,137,809	25.44	201,212,744	29.90
Director's interest								
Dr. Liu Yongping	340,419	0.05	680,838	0.05	340,419	0.03	340,419	0.05
Public Shareholders								
Option Holders	68,559,222	10.70	137,118,444	10.70	68,559,222	5.35	68,559,222	10.19
Placees	-	-	-	-	484,152,992	37.76	-	-
Other public Shareholders	402,839,938	62.84	805,679,876	62.84	402,839,938	31.42	402,839,938	59.86
Total	641,015,190	100.00	1,282,030,380	100.00	1,282,030,380	100.00	672,952,323	100.00

Notes:

- Power King is wholly-owned by Ms. Yung (being the spouse of Mr. Wang). As such, each of Ms. Yung and Mr. Wang is deemed to be interested in the Shares owned by Power King.
- The total number of Rights Shares to be subscribed by Power King will be scaled down to the extent that it and its associates will not trigger a general offer obligation under the Takeovers Code as a result of the Rights Issue.
- Save for the Shares owned by Power King, Mr. Wang (being the spouse of Ms. Yung) is interested in 12,413,413 Shares, out of which 9,393,413 Shares are owned by him as beneficial owner upon exercise of the Share Options and 2,500,000 Shares are owned by Ms. Yung upon exercise of the Share Options.
- Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD

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

The Company is an investment holding company. The Group is principally engaged in pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business in the PRC.

Based on the Group's experience and strength in the healthcare field, the Group will further explore and expand the operating scale of its existing businesses, penetrate the market and create better return to the Shareholders. The Group will continue to pay attention to different investment opportunities, identify appropriate businesses and projects for shareholders, and increase shareholders' returns. The Board considers that the Rights Issue enables the Company to raise additional funding to further expand its existing businesses and/or explore other business opportunities in relation to the medical and healthcare fields.

According to the interim report (the "**Interim Report**") of the Group for the six months ended 30 September 2025 published on 25 November 2025, the Group recorded total current assets of approximately HK\$60.1 million and total current liabilities of approximately HK\$30.6 million as at 30 September 2025, which included trade and other payables of approximately HK\$19.5 million which will become due and payable within three to six months from the Rights Issue Announcement. However, the total cash and cash equivalents were only approximately HK\$18.9 million as at 30 September 2025, which are not sufficient to settle the total amount of trade and other payables when due.

The Board considers that the Rights Issue also represents an opportunity to raise additional funding to strengthen the Group's financial position by relieving the financial burden and provide working capital to the Group to meet any financial obligations of the Group without additional interest burden.

The net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK\$40.82 million (assuming no change in number of Shares in issue on or before Record Date) or approximately HK\$47.28 million (assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date). The Company intends to use the net proceeds from the Rights Issue for the following purposes:

- (i) approximately 42.4% (or approximately HK\$17.32 million, assuming no change in number of Shares in issue on or before Record Date) or approximately 50.3% (or approximately HK\$23.78 million, assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date) for the operation and development of existing pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business and any other potential investment opportunities related to medical and healthcare fields should opportunities arise;

LETTER FROM THE BOARD

- (ii) approximately 33.1% (or approximately HK\$13.5 million, assuming no change in number of Shares in issue on or before Record Date) or approximately 28.6% (or approximately HK\$13.5 million, assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date) for partial settlement of the trade and other payables of the Group in the amount of approximately HK\$5.0 million and repayment of an amount due to a Director of approximately HK\$8.5 million; and
- (iii) approximately 24.5% (or approximately HK\$10.0 million, assuming no change in number of Shares in issue on or before Record Date) or approximately 21.1% (or approximately HK\$10.0 million, assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date) for general working capital of the Group (including but not limited to the payment of salaries, rental expenses, professional fees and/or other corporate expenses).

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above. In the event that the Rights Issue could not raise sufficient proceeds as expected, the Company plans to settle the remaining trade and other payables of the Group by trade receivables to be received by the Group and/or its internal resources. Taking into account the actual recovery period of the Group's trade receivables, which fluctuated and may not align with the maturity profile of the Group's imminent obligations, the Company considers that reliance on trade receivables may not provide the Group with adequate liquidity to repay the trade and other payables of the Group as they fall due. Having considered these timing uncertainties and the Group's funding needs, the Board is of the view that the Subscription Price and the Rights Issue are fair and reasonable and in the interest of the Shareholders with a view to securing a more certain and immediate source of funding to address the Group's short-term financial commitments and to support its ongoing operations.

The Company has considered alternative fundraising methods which include debt financing and equity financing alternatives such as placing of new Shares and open offer. For debt financing, in light of the loss-making position of the Group for the year ended 31 March 2025 and for the six months ended 30 September 2025, it is difficult for the Group to obtain loans with favourable interest rate in a timely manner and debt financing will result in additional interest burden and higher gearing ratio of the Group. In November 2025, the Company approached two commercial banks in Hong Kong to apply for loan facilities. The Company subsequently received feedback that, given the Group's principal business operations are located in the PRC, it would be difficult to secure bank financing in Hong Kong. In addition, the banks indicated that any facility would be subject to stringent conditions, including the provision of personal guarantees and collateral by the Directors, which are not readily available. The indicative terms offered, including the proposed loan amount and interest rate, were assessed by the Board and considered to be commercially unfavourable to the Company. For the Group's PRC operations, the Group previously obtained bank borrowings of approximately RMB9 million in 2022, which carried floating interest rates ranging from the People's Bank of China loan rate plus 7.10% to 14.40%

LETTER FROM THE BOARD

per annum. These borrowings significantly increased finance charges and the Group's gearing ratio. Prior to the proposed Rights Issue, the Company had also made inquiries on the interest rates for bank borrowings in the PRC, which ranged from the People's Bank of China loan rate plus 3.6% to 18%. In light of these constraints and the high cost of debt financing, the Board considers that it is difficult for the Group to obtain loans with favourable interest rate in a timely manner without imposing additional onerous obligations on the Company or the Directors. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. For open offer, although it is similar to a rights issue in offering Qualifying Shareholders to participate, it does not allow the trading of rights entitlements in the open market.

As at the Latest Practicable Date, save for the proposed Rights Issue, the Company has no other fundraising plan.

In view of the above and the reasons described in the sub-section headed "Subscription Price" under the section headed "Proposed Rights Issue" in this circular, given the funding needs of the Group, the non-underwritten nature of the Rights Issue, and the attempts to secure debt financing, which would have required onerous conditions such as personal guarantees and collateral from Directors and carried commercially unfavourable terms, the Directors consider that the Subscription Price is set to encourage participation by Qualifying Shareholders in the Rights Issue and maximise subscription levels in the absence of underwriting with a view to raising sufficient funds for the Group. As such, the Directors are of the view that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A(1) of the Listing Rules, where Independent 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 shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the issuer and their respective associates shall abstain from voting the ordinary resolution to approve the Rights Issue at the EGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company does not have any controlling Shareholders. Power King, a company wholly-owned by Ms. Yung, the spouse of Mr. Wang, is the legal and beneficial owner of 156,862,198 Shares, representing approximately 28.00% of the entire issued share capital of the Company. Each of Ms. Yung and Mr. Wang is deemed to be interested in the 156,862,198 Shares beneficially owned by Power King. Mr. Wang, being the executive Director, is the legal and beneficial owner of 520,000 Shares, representing approximately 0.1% of the entire issued share capital of the Company. Save for Ms. Yung and Mr. Wang, none of the Directors and the chief executive of the Company and their respective associates are interested in any Share. As such, each of Power King, being Mr. Wang's associate, and Mr. Wang shall abstain from voting at the EGM in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules. In addition, assuming full exercise of the 2,500,000 outstanding Share Options by Ms. Yung on or before the Record Date, she will be interested in 2,500,000 Shares, representing approximately 0.44% of the enlarged issued share capital of the Company following the allotment and issue of Shares upon exercise of such Share Options. In this circumstance, Ms. Yung, being the spouse of Mr. Wang, shall also abstain from voting at the EGM in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the voting of the ordinary resolution(s) as set out in the notice of EGM shall be taken by way of poll at the EGM. The result of the vote will be announced after the EGM.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the Latest Practicable Date.

DESPATCH OF PROSPECTUS DOCUMENTS

The Company will make available the Prospectus Documents containing, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information of the Group, and PAL(s) to the Qualifying Shareholders on or before Thursday, 26 February 2026. 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 Excluded Shareholders (if any) for their information only, but the Company will not send the PAL to the Excluded Shareholders (if any).

EGM

A notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular. The EGM will be convened and held to consider and, if appropriate, approve, among other things, the Increase in Authorised Share Capital and the Rights Issue, each in accordance with the Articles and the Listing Rules.

LETTER FROM THE BOARD

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19(6) of the Listing Rules, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM, 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 at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Company does not have any controlling Shareholders. Power King, a company wholly-owned by Ms. Yung, the spouse of Mr. Wang, is the legal and beneficial owner of 156,862,198 Shares, representing approximately 28.00% of the entire issued share capital of the Company. Each of Ms. Yung and Mr. Wang is deemed to be interested in the 156,862,198 Shares beneficially owned by Power King. Mr. Wang, being the executive Director, is also the legal and beneficial owner of 520,000 Shares, representing approximately 0.1% of the entire issued share capital of the Company. Save for Ms. Yung and Mr. Wang, none of the Directors and the chief executive of the Company and their respective associates are interested in any Share. As such, each of Power King, being Mr. Wang's associate, and Mr. Wang shall abstain from voting at the EGM in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch Registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM and the Increase in Authorised Share Capital having become effective, the Prospectus Documents will be despatched to the Qualifying Shareholders on or before Thursday, 26 February 2026 whereas the Prospectus will be despatched to the Excluded Shareholders for information only.

RECOMMENDATION

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Dr. Liu Yongping, Ms. Chan Wing Shan Winsome and Ms. Xu Wei, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Board Committee set out on pages 38 to 39 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 IFA-1 to IFA-22 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors believe that the terms of the Placing Agreement are on normal commercial terms, the Increase in Authorised Share Capital and the Rights Issue are fair and reasonable so far as the Shareholders or Independent Shareholders (as the case may be) are concerned and in the interests of the Company and the Shareholders as a whole and recommend the Shareholders or the Independent Shareholders (as the case may be) to vote in favour of the resolutions to be proposed at the EGM to approve, among other things, the Increase in Authorised Share Capital and the Rights Issue.

Shareholders are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding how to vote on the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

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

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES

The Shares are expected to be dealt in on an ex-rights basis from Thursday, 12 February 2026. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this circular.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any Shareholder or other person dealings in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Yours faithfully

For and on behalf of the Board

WANJIA GROUP HOLDINGS LIMITED

Wang Jia Jun

Chief Executive Officer and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the Rights Issue.



WANJIA GROUP HOLDINGS LIMITED

萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

21 January 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE

(1) RIGHTS SHARE FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

We refer to the circular dated 21 January 2026 (the “**Circular**”) of the Company of which this letter forms part. Unless the context requires otherwise, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue 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.

Octal Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of the advice from the Independent Financial Adviser, together with the principal factors taken into consideration in arriving at such advice, are set out on pages IFA-1 to IFA-22 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 11 to 37 of this circular and the additional information set out in the appendices to this circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in its letter of advice to the Independent Shareholders and the Independent Board Committee on pages from IFA-1 to IFA-22 of this circular, we are of the opinion that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Rights Issue.

Yours faithfully,
The Independent Board Committee

Dr. Liu Yongping

*Independent non-executive
Director*

**Ms. Chan Wing
Shan Winsome**

*Independent non-executive
Director*

Ms. Xu Wei

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Octal Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue prepared for the purpose of inclusion in this circular.



801-805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

To the Independent Board Committee and the Independent Shareholders

21 January 2026

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

INTRODUCTION

We, Octal Capital Limited (“**Octal Capital**”), refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue, particulars of which are set out in the circular (the “**Circular**”) dated 21 January 2026, in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular.

As set out in the letter from the Board (the “**Letter from the Board**”), the Board proposes to seek the approval by way of ordinary resolution at the EGM by Shareholders of an increase in its authorised share capital from HK\$50,000,000 divided into 1,000,000,000 Shares to HK\$100,000,000 divided into 2,000,000,000 Shares by creating an additional 1,000,000,000 unissued Shares.

Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.08 per Rights Share, to raise not less than approximately HK\$44.82 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date), and not more than approximately HK\$51.28 million before expenses (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date) by way of issuing not less than 560,222,136 Rights Shares and not more than 641,015,190 Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The net proceeds of the Rights Issue, assuming full subscription, will be up to approximately HK\$40.82 million (assuming no change in the number of Shares in issue on or before the Record Date) or approximately HK\$47.28 million (assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date).

In accordance with Rule 7.19A of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A(1) of the Listing Rules, where Independent 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 shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the issuer and their respective associates shall abstain from voting the ordinary resolution to approve the Rights Issue at the EGM.

We, Octal Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. As at the Latest Practicable Date, we are not connected with the directors, chief executive of the Company or any of its subsidiaries or their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. During the last two years, there was no engagement between the Group, or the Directors, or chief executives of the Company and us. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby Octal Capital will receive any fees or benefits from the Company or the Directors and chief executive of the Company or any of its subsidiaries or their respective associates. We are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders on the Rights Issue pursuant to Rule 13.84 of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company (the "**Management**") were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the Management regarding the Group and the Rights Issue including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Management in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management. We have

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

not, however, conducted an independent in-depth investigation into the business and affairs of the Group and its associates, nor have we carried out any independent verification of the information supplied to us.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the Rights Issue, we have considered the following principal factors and reasons:

(i) Review of financial performance and financial position

The Company is an investment holding company. The Group is principally engaged in pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business in the PRC.

The table below summarises the consolidated statement of profit or loss and other comprehensive income of the Company for the two years ended 31 March 2024 and 2025 (“FY2023/24” and “FY2024/25”, respectively) and the six months ended 30 September 2024 and 2025 (“1H2024” and “1H2025”, respectively) as extracted from the annual report of the Group for FY2024/25 (the “2024/25 Annual Report”) and the interim report of the Group for 1H2025 (the “2025 Interim Report”):

	FY2023/24	FY2024/25	1H2024	1H2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	181,092	161,693	83,695	85,706
Gross profit	54,740	50,347	26,433	25,774
Net (loss)/profit attributable to Shareholders	(39,977)	(6,616)	1,256	(712)

FY2024/25

The Group’s revenue decreased by approximately HK\$19.4 million, or 10.7%, from approximately HK\$181.1 million in FY2023/24 to approximately HK\$161.7 million in FY2024/25. This was mainly attributable to the reduction in the fixed payment rate by the relevant county medical security bureau for the hemodialysis treatment services in the PRC leading to the decrease in revenue from the Group’s hemodialysis treatment and consultancy service business by approximately HK\$18.3 million. For FY2024/25, the Group’s gross profit decreased by approximately HK\$4.4 million, or 8.0%, from approximately HK\$54.7 million in FY2023/24 to approximately HK\$50.3 million in FY2024/25 while the Group’s gross profit margin showed slight improvement from approximately 30.2% in FY2023/24 to approximately 31.1% in FY2024/25.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's net loss attributable to Shareholders narrowed by approximately HK\$33.4 million, or 83.5%, from approximately HK\$40.0 million in FY2023/24 to approximately HK\$6.6 million in FY2024/25. This improvement was primarily driven by (i) a reversal of expected credit losses on trade and other receivables of approximately HK\$1.4 million; (ii) the absence of an impairment loss in FY2024/25 as compared to an impairment loss of approximately HK\$22.3 million in FY2023/24, and (iii) a reduction in administrative expenses by approximately HK\$6.0 million.

1H2025

The Group's revenue increased by approximately HK\$2.0 million, or 2.4%, from approximately HK\$83.7 million in 1H2024 to approximately HK\$85.7 million in 1H2025. This was mainly attributable to the increase in the revenue from the Group's hemodialysis business as a result of the increase in number of patients treated in the Group's hemodialysis treatment centres. For 1H2025, the Group's gross profit decreased by approximately HK\$0.7 million, or 2.5%, from approximately HK\$26.4 million for 1H2024 to approximately HK\$25.8 million which was mainly attributable to the slight decrease in the gross profit margin by approximately 1.5% from approximately 31.6% in 1H2024 to approximately 30.1% in 1H2025.

The Group recorded a net loss attributable to Shareholders of approximately HK\$0.7 million in 1H2025 as compared to a net profit attributable to Shareholders of approximately HK\$1.3 million in 1H2024 which was mainly resulted from (i) a slight decline in gross profit by approximately HK\$0.7 million; (ii) a modest rise in selling and administrative expenses by approximately HK\$0.7 million; and (iii) an increase in taxation by approximately HK\$0.8 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below summarises the audited/unaudited consolidated statement of financial position of the Company as at the most recent financial year-end and as at the most recent interim period-end as extracted from the 2024/25 Annual Report and the 2025 Interim Report:

	As at 31 March 2025 HK\$'000 (Audited)	As at 30 September 2025 HK\$'000 (Unaudited)
Current assets	56,614	60,077
Non-Current assets	50,208	48,082
Total assets	106,822	108,159
Current liabilities	29,002	30,599
Non-current liabilities	9,187	8,775
Total liabilities	38,189	39,374
Net current assets	27,612	29,478
Net assets	68,633	68,785

The financial position of the Group as at 30 September 2025 was stable as compared to that as at 31 March 2025. It recorded net current assets of approximately HK\$29.5 million as at 30 September 2025 as compared to net current assets of approximately HK\$27.6 million as at 31 March 2025 while the net assets of the Group as at 30 September 2025 also remained stable at approximately HK\$68.8 million as compared to that of approximately HK\$68.6 million as at 31 March 2025. As at 30 September 2025, total assets of the Group mainly consisted of trade and other receivables of approximately HK\$27.7 million, goodwill of approximately HK\$24.2 million, cash and cash equivalents of approximately HK\$18.9 million and property, plant and equipment of approximately HK\$15.5 million. The total cash and cash equivalents of the Group decreased from HK\$24.1 million as at 31 March 2025 to approximately HK\$18.9 million as at 30 September 2025.

As at 30 September 2025, the Group recorded total liabilities of approximately HK\$39.4 million, of which trade and other payables amounted to approximately HK\$19.5 million which will become due and payable within six months from the Last Trading Day; and (ii) amount due to a director amounting to approximately HK\$2.5 million which is repayable on demand. The Group's current ratio, calculated by dividing the Group's current assets by the Group's current liabilities, improved slightly from approximately 1.95 times as at 31 March 2025 to approximately 1.96 times as at 30 September 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Reasons for and benefits of the Rights Issue and use of proceeds

As mentioned in the Letter from the Board, the net proceeds (the “**Net Proceeds**”) of the Rights Issue, assuming full subscription, will be up to approximately HK\$40.82 million (assuming no change in number of Shares in issue on or before the Record Date) or approximately HK\$47.28 million (assuming new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date), of which:

- (i) ranging from approximately HK\$17.32 million to HK\$23.78 million (subject to new Shares are allotted and issued upon full exercise of the outstanding Share Options on or before the Record Date) is intended for the operation and development of existing pharmaceutical wholesale and distribution business and hemodialysis treatment and consultancy service business and any other potential investment opportunities related to medical and healthcare fields should opportunities arise;
- (ii) approximately HK\$13.5 million is intended for partial settlement of the trade and other payables of the Group in the amount of approximately HK\$5.0 million and repayment of an amount due to a Director of approximately HK\$8.5 million; and
- (iii) approximately HK\$10.0 million is intended for general working capital of the Group (including but not limited to the payment of salaries, rental expenses, professional fees and/or other corporate expenses).

According to the FY2024/25 Annual Report, the Group plans to concentrate its resources on expanding its hemodialysis treatment and consultancy services business through both organic growth and acquisitions. The Group plans to establish new self-operated hemodialysis centers and provide consultancy services to hospitals in the PRC, leveraging unmet market demand and its medical expertise to scale operations, increase market penetration, and enhance shareholder returns. In addition, the Group will continue to monitor investment opportunities to identify suitable projects for further value creation. As outlined in the Letter from the Board, the Group will continue to operate and enhance its pharmaceutical wholesale and distribution business, leveraging its established network and industry relationships to strengthen distribution capabilities and support the Group’s long term growth trajectory.

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Further, according to a proposal published by The National Health Commission of the PRC (“NHC”) in September 2024, NHC highlights kidney disease management via policies to expand independent centers, addressing four key areas: (i) standardising construction for safety through local integration, facilities, and infection controls; (ii) enhancing accessibility with planning for social-funded non-profits and prioritised chain centers; (iii) improving synergy via national data registration and cross-province direct settlements covering regions in the PRC; and (iv) boosting openness with protocols mandating hospital collaborations, emergency channels, and studies on specialised insurance for purification risks. Moreover, on 26 December 2025, the NHC held a press conference announcing that ensuring counties with over 100,000 residents having a capacity to provide hemodialysis services would be a key 2025 public service initiative. The goal is to improve access for kidney failure patients requiring two to three sessions per week, thereby reducing travel burdens and associated costs. These supportive policies from NHC as mentioned above could create a favorable environment for the Company to expand its hemodialysis treatment business.

In view of the above, allocating the Net Proceeds ranging from approximately HK\$17.32 million to approximately HK\$23.78 million towards expanding the pharmaceutical wholesale and distribution operations, alongside the hemodialysis treatment and consultancy services, and potential investments, could enhance the Group’s market penetration, operational scale-up, and sustained growth in the demand for hemodialysis treatment in the PRC, which would be favourable to the Group.

As set out in the sub-section headed “(i) Review of financial performance and financial position” of this letter, the Group’s net current assets as at 30 September 2025 increased modestly to approximately HK\$29.5 million as compared to approximately HK\$27.6 million as at 31 March 2025, while net assets of the Group edged up slightly to HK\$68.8 million from HK\$68.6 million. On the other hand, as mentioned in the Letter from the Board, included in the Group’s current liabilities were trade and other payables of approximately HK\$19.5 million which will become due and payable within six months from the Last Trading Day. However, the total cash and cash equivalents held by the Group were only approximately HK\$18.9 million as at 30 September 2025, which are not sufficient to settle the total amount of trade and other payables when due. According to the Management, the trade payables mainly represent amounts due to suppliers for goods and services received, while the other payables mainly represent accrued fees including rent and utilities, and amount due to professional parties such as legal advisers, auditors and reporting accountants. Although the Group recorded net assets of approximately HK\$68.6 million as at 30 September 2025, if the Net Proceeds would be applied towards the partial settlement of the trade and other payables and amount due to a director in the amount of approximately HK\$13.5 million in aggregate, this could alleviate the Group’s financial burden thereby improving the Group’s financial position and gearing ratio. In addition, the approximately HK\$10.0 million of the Net Proceeds to be allocated to replenish the general working capital of the Group could further improve the Group’s financial position and provide sufficient capital to improve the Group’s cash and liquidity position.

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On the other hand, as the Rights Issue will be conducted on a non-underwritten basis, in the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes as discussed above. In the event that the Rights Issue could not raise sufficient proceeds as expected, the Company plans to settle the remaining trade and other payables of the Group by trade receivables to be received by the Group and/or its internal resources.

As discussed in the sub-section headed “(i) Review of financial performance and financial position” in this letter, the Group held cash and cash equivalents of approximately HK\$18.9 million and recorded trade and other receivables of approximately HK\$27.7 million as at 30 September 2025 which is higher than the balance of the trade and other payables of the Group of approximately HK\$19.5 million that will become due and payable within six months from the Last Trading Day. Accordingly, we concur with the Directors that the Group’s existing working capital is sufficient to meet its settlement obligations in respect of trade and other payables. However, as the actual timing of collection of trade and other receivables is subject to uncertainty, the replenishment of working capital from the Net Proceeds will enhance the Group’s overall liquidity position.

Furthermore, we noted that the Subscription Price represents a discount to the closing price of the Shares on the Last Trading Day and the net asset value per Share. We noted that it is a common market practice to set the subscription price of a rights issue transaction at a discount to the prevailing market prices and net asset value per share of the relevant companies so as to enhance the attractiveness of the transaction and encourage shareholder participation. We concur with the view of the Board that it is reasonable to set the Subscription Price at a discount so that the Qualifying Shareholders could be incentivised to participate in the Rights Issue in order to maintain their shareholding interests in the Company and at the same time the Rights Issue could achieve its fundraising target for the benefits of the Group in the absence of underwriting. For further details of the analysis on discounts in recent rights issue transactions, please refer to the subparagraph headed “Comparison with recent rights issue transactions” under the sub-section headed “(iii) The principal terms of the Right Issue” in this letter.

Alternative modes of fund raising

We noted that the Company has considered alternative fundraising methods which included debt financing and equity financing alternatives such as placing of new Shares and open offer.

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For debt financing, in light of the loss-making position of the Group for FY2024/25 and for 1H2025, as advised by the Management, it is difficult for the Group to obtain loans with favorable interest rate in a timely manner and debt financing will result in additional interest burden and higher gearing ratio of the Group. As further discussed in the Letter from the Board, in November 2025, the Company attempted to seek loan facilities from two commercial banks in Hong Kong. After assessing the indicative terms offered by the banks, the Board considered the terms are commercially unfavourable. For placing of new Shares, it will only be available to certain places who are not necessarily the existing Shareholders and it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. For open offer, although it is similar to a rights issue in offering Qualifying Shareholders to participate, it does not allow the trading of rights entitlements in the open market and accordingly, Shareholders must either participate in the offer or lose the monetary benefit of any discount available to them at which the new shares are offered.

The Rights Issue will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro rata shareholding interests in the Company or trade the relevant nil-paid Rights Shares in the market thus reducing impact from dilution of their shareholdings. Having considered the above, we concur with the Board's view that the Rights Issue, which will offer Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company, is fair and reasonable and it is in the interests of the Company and the Shareholders as a whole.

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(iii) The principal terms of the Rights Issue

The principal terms of the Rights Issue are summarised below:

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.08 per Rights Share
Number of Shares in issue at the Latest Practicable Date	:	560,222,136 Shares
Number of Rights Shares	:	up to (i) 560,222,136 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) 641,015,190 Rights Shares (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to (i) HK\$28,011,106.8 (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) HK\$32,050,759.5 (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	(i) 1,120,444,272 (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue); or (ii) 1,282,030,380 (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)

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- Gross proceeds from the Rights Issue : (i) approximately HK\$44.82 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$51.28 million before expenses (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
- Net proceeds from the Rights Issue : (i) approximately HK\$40.82 million before expenses (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$47.28 million before expenses (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
- Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) : (i) approximately HK\$0.073 per Rights Share (assuming full subscription under the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$0.074 per Rights Share (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date)
- Right of excess applications : There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.

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Compensatory Arrangements : Any Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements.

Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

Analysis on the Subscription Price

The Subscription Price is HK\$0.08 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

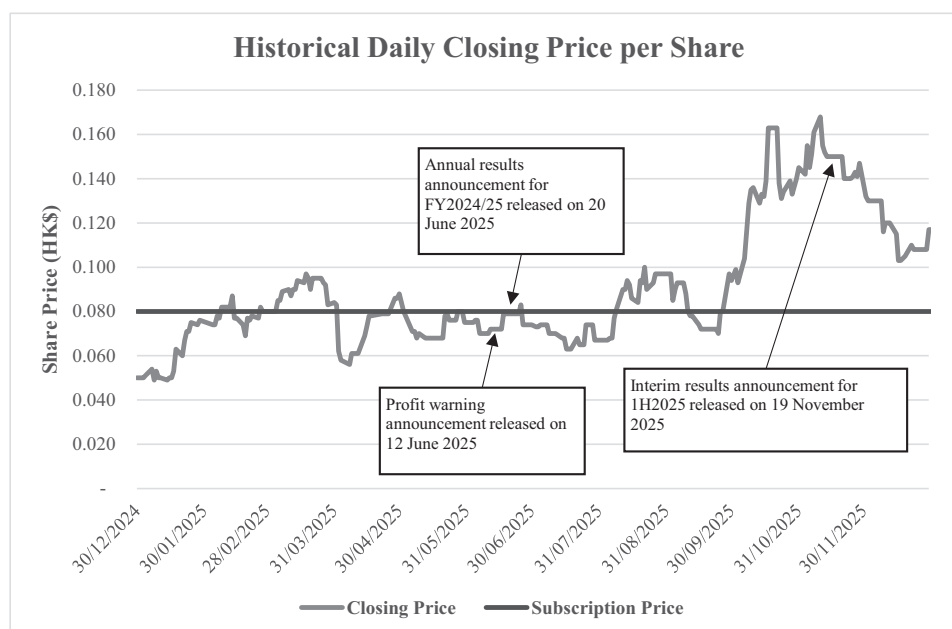
- (i) a discount of approximately 23.81% to the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 31.62% to the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 27.27% to the average of the closing prices of approximately HK\$0.110 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 25.93% to the average of the closing prices of approximately HK\$0.108 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 18.78% to the theoretical ex-rights price (the “**TERP**”) of approximately HK\$0.0985 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 15.81% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.0985 per Share and the benchmarked price of approximately HK\$0.117 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.117 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.108 per Share); and
- (vii) a discount of approximately 33.33% to the consolidated net asset value per Share of approximately HK\$0.12 (based on the latest published consolidated net asset value of the Company of HK\$67,171,000 as at 30 September 2025 and 560,222,136 Shares in issue as at 31 December 2025).

Comparison with adjusted 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 daily closing prices and trading volume of the Shares from 30 December 2024 to the Last Trading Day (the “**Review Period**”) (being a period of approximately 12 months prior to and including the Last Trading Day) and compared with the Subscription Price.



Source: The Stock Exchange

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As shown in the chart above, during the Review Period, the average closing price was approximately HK\$0.090 per Share (the “**Average Closing Price**”). The daily closing price ranged from HK\$0.049 per Share recorded on 7 January 2025 and 13 January 2025 (the “**Lowest Closing Price**”) to HK\$0.168 per Share (the “**Highest Closing Price**”) recorded on 10 November 2025 during the Review Period. As we further noted in the chart above, the closing price of the Shares ranged from HK\$0.049 per Share to HK\$0.1 per Share during the period from 30 December 2024 to 26 September 2025. During this period of 185 trading days out of the total of 247 trading days in the Review Period, the average closing price of the Shares was approximately HK\$0.076 per Share which is below the Subscription Price of HK\$0.08 per Share. At the beginning of the period, the closing price of the Shares surged from HK\$0.050 per Share on 30 December 2024 to HK\$0.097 per Share on 18 March 2025 and maintained at a similar level before falling sharply to HK\$0.062 per Share on 2 April 2025 and maintained a downward trend thereafter before rebounding from HK\$0.061 per Share on 11 April 2025 to HK\$0.088 per Share on 30 April 2025. The closing price then hovered around the Subscription Price before dropping to HK\$0.072 per Share on 12 June 2025. We noted that the Company published a profit warning announcement and the annual results announcement for FY2024/25 on 12 June 2025 and 20 June 2025, respectively, but the closing price of the Shares did not show any significant movement on the respective next trading day. The closing price of the Shares then began to experience an upward trend in between mid-August 2025 and early September 2025 to reach HK\$0.093 per Share before gradually declining to HK\$0.08 per Share on 26 September 2025. Since 29 September 2025, the closing price of the Shares demonstrated an abrupt upward trend, rising from HK\$0.08 per Share on 26 September 2025 to the Highest Closing Price at HK\$0.168 per Share on 10 November 2025, representing an approximately 110.0% increase during these 29 trading days. Subsequently, the closing price declined to HK\$0.15 per Share by 19 November 2025, reflecting an approximately 10.7% correction from the peak. Upon our enquiry with the Management, the Company was not aware of any reasons that may lead to such increase in the closing price of the Shares during this period. Following this period of share price increment, the Company published the interim results announcement for 1H2025 (the “**Interim Results Announcement**”) on 19 November 2025 while the closing price of the Shares remained stable at HK\$0.15 per Share on the next trading day. Thereafter, the closing price of the Shares demonstrated a downward trend and closed at HK\$0.117 per Share on the Last Trading Day. Upon our enquiry with the Management, the Company was not aware of any reasons that may lead to such decrease in the closing price of the Shares during this period.

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The Subscription Price of HK\$0.08 per Share represents (i) a premium of approximately 63.27% to the Lowest Closing Price of HK\$0.049 per Share; (ii) a discount of approximately 52.38% to the Highest Closing Price of HK\$0.168 per Share; and (iii) a discount of approximately 11.11% to the Average Closing Price of approximately HK\$0.090 per Share for the Review Period. During the period from 29 November 2025 to the Last Trading Day (being a period of approximately one month prior to and including the Last Trading Day), the average closing price was approximately HK\$0.117 per Share (the “**Recent Average**”). The Subscription Price represents a discount of approximately 31.59% to the Recent Average. As discussed in the subparagraph headed “Comparison with recent rights issue transactions” below, we noted that it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant shares of the Comparables in order to increase the attractiveness and encourage shareholders to participate in the rights issue.

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Historical trading liquidity of the Shares

For the purpose of independently assessing the trading liquidity of the Shares, the following table shows the daily trading volume of the Shares during the Review Period:

Month	Highest daily turnover (in number of Shares)	Average daily turnover (in number of Shares)	Number of trading days with no turnover (in days)	Percentage of average daily turnover over total number of Shares in issue ¹	Percentage of average daily turnover over total number of Shares held by public Shareholders ²
2024					
December	500,000	40,000	0	0.05%	0.07%
2025					
January	5,806,000	777,502	2	0.14%	0.19%
February	1,300,000	235,365	4	0.04%	0.06%
March	1,860,000	238,526	6	0.04%	0.06%
April	4,235,360	388,305	6	0.07%	0.10%
May	500,000	100,954	7	0.02%	0.03%
June	543,248	57,477	9	0.01%	0.01%
July	542,624	80,670	8	0.01%	0.02%
August	3,703,000	372,502	6	0.07%	0.09%
September	2,040,000	343,448	6	0.06%	0.09%
October	2,860,000	816,323	0	0.15%	0.20%
November	3,106,400	427,305	4	0.08%	0.11%
December ³	1,540,000	155,136	7	0.03%	0.04%

Source: *The Stock Exchange*

Notes:

1. *Calculated based on the total number of the Shares in issue at the end of month.*
2. *Calculated based on the total number of the Shares in public hands at the end of month according to the public information on the Stock Exchange.*
3. *Up to the Last Trading Day.*

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As demonstrated in the table above, during the Review Period, no trading of the Shares was recorded on 65 trading days on the Stock Exchange. The average daily trading volume of the Shares by month were in the range of approximately 0.01% to 0.15% as to the total number of issued Shares with a mean of approximately 0.06%. The average daily trading volume of the Shares by month were in the range of approximately 0.01% to 0.2% as to the total number of Shares held by public Shareholders with a mean of approximately 0.08%.

Upon our review of the “HKEx Monthly Market Highlights” for the period from December 2024 to November 2025 (the “**Relevant Period**”) available on the website of the Stock Exchange, we noted that the average daily trading turnover to total market capitalisation of listed securities (including Main Board and GEM listed issuers) (the “**Market Trading Turnover Ratio**”) during such period ranged from approximately 0.40% to approximately 0.76% with the mean of approximately 0.58%. In view of this, we consider the trading liquidity of the Shares are generally thin during the Review Period, given that the ratio of the average daily trading volumes of the Shares by month to the total numbers of issued Shares for the respective month during the Review Period are all below the lower end (i.e. 0.40%) of the Market Trading Turnover Ratio during the Relevant Period. In light of the relatively thin trading liquidity of the Shares, we consider that it is reasonable for the Subscription Price to be set at a discount to the prevailing adjusted closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue and to maintain their respective shareholding interest in the Company.

Comparison with recent rights issue transactions

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we have identified an exhaustive list of 12 non-underwritten rights issue transactions with no excess application arrangements (the “**Comparables**”) announced by other companies listed on the Main Board of the Stock Exchange for a period of six months immediately prior to the Last Trading Day (the “**Comparable Review Period**”). Shareholders should note that the subject companies in the Comparables may have different principal business activities, market capitalisations, profitability and financial positions as compared to those of the Company. Although the circumstances surrounding such Comparables may be different from those relating to the Company, we consider that the Comparable Review Period is adequate and fair and reasonable to capture the prevailing market conditions in relation to rights issue transactions and the Comparables could serve as a reference for prevailing market practices in relation to rights issue transactions conducted by the companies listed on the Main Board of the Stock Exchange. Given that the Comparables represent an exhaustive list of comparable rights issue transactions that meet the above selection criteria, we consider them fair and representative for the purposes of our analysis.

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We consider the Comparable Review Period of approximately six months to be appropriate and sufficient for our analysis, as (i) this timeframe enables us to capture recent market practices in relation to rights issues for meaningful comparison; and (ii) we are able to identify reasonable and adequate samples of twelve comparable transactions within this period, selected based on criteria reflecting the principal terms of the Rights Issue and focusing on recent rights issues transactions conducted by other companies listed on the Main Board of the Stock Exchange.

Item no.	Date of announcement	Company name (stock code)	Basis of entitlement	Premium/(discount) of the subscription price over/to the closing price on the last trading day prior to/on the date of the relevant announcement (Approximate)	Premium/(discount) of the subscription price over/to the TERP based on the last trading day prior to/on the date of the relevant announcement (Approximate)	Premium/(discount) of the subscription price over/to the consolidated net asset value per share ¹ (Approximate)	Theoretical dilution effect (Approximate)	Placing commission
1	11 Dec 2025	Hang Yick Holdings Company Limited (1894)	4 for 1	(28.13)%	(7.26)%	(84.67)%	22.50%	1.00%
2	02 Nov 2025	KNT Holdings Limited (1025)	1 for 1	(9.09)%	(4.76)%	48.15%	9.39%	3.00%
3	15 Oct 2025	Synertone Communication Corporation (1613)	2 for 1	(35.70)%	(15.60)%	(43.80)%	23.81%	1.00%
4	09 Oct 2025	CCLAM Future Energy Limited (145)	1 for 2	(18.60)%	(13.10)%	(6.10)%	6.63%	Fixed at HK\$100,000
5	15 Sep 2025	Zhong Jia Guo Xin Holdings Company Limited (899)	2 for 1	(33.60)%	(14.50)%	(97.90)%	24.78%	5.00%
6	10 Sep 2025	China Automotive Interior Decoration Holdings Limited (48)	3 for 2	(29.70)%	(14.50)%	(88.10)%	17.84%	1.50%
7	04 Sep 2025	Many Idea Cloud Holdings Limited (6696)	6 for 1	(22.10)%	(4.90)%	(90.50)%	20.63%	0.20%
8	13 Aug 2025	Capital VC Limited (2324)	1 for 1	(27.30)%	N/A ²	(82.00)%	13.60%	3.00%
9	04 Aug 2025	Tomo Holdings Limited (6928)	1 for 2	(62.10)%	(52.20)%	25.00%	21.30%	1.00%
10	23 Jul 2025	Future Machine Limited (1401)	1 for 2	(72.30)%	(63.50)%	(28.60)%	24.09%	1.00%
11	08 Jul 2025	Alco Holdings Limited (328)	4 for 1	(19.00)%	N/A ²	N/A ³	15.52%	1.50%
12	07 Jul 2025	Sanergy Group Limited (2459)	1 for 2	(55.60)%	(45.50)%	(89.00)%	18.80%	3.50%
			Maximum	(9.09)%	(4.76)%	48.15%	24.78%	5.00%
			Minimum	(72.30)%	(63.50)%	(97.90)%	6.63%	0.20%
			Median	(28.92)%	(14.50)%	(82.00)%	19.72%	1.50%
			Average	(34.44)%	(23.58)%	(48.87)%	18.24%	1.97%
		The Company	1 for 1	(31.62)%	(18.78)%	(33.33)%	15.81%	2.00%

Source: The Stock Exchange

Notes:

- The net assets value per share was extracted from the relevant announcement or circular of the Comparables, where such information is not available from the above published sources, computed based on the reported net assets value as shown in the relevant interim results or annual results of the Comparables and the number of issued shares as at the date of the relevant announcement of the Comparables.
- "N/A" denotes that the announcement did not disclose such information.
- Alco Holdings Limited recorded net deficit of approximately HK\$64.7 million as at 31 March 2025 according to its latest annual results announcement prior to its rights issue announcement. Therefore, its premium/(discount) of its subscription price over/to the consolidated net asset value per share is unavailable.

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We noted that it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant shares in order to enhance the attractiveness of the rights issue transactions and encourage participation of shareholders. As illustrated from the above table, the subscription prices of all of the Comparables represented discounts to both the closing price on the respective last trading day and the TERP.

As shown in the table above, we noted that the subscription prices of all of the Comparables represented discounts to the closing price on the respective last trading day. The discount of the subscription price to the closing price of the relevant companies of the Comparables on the respective last trading day ranged from a discount of approximately 9.09% to 72.30% (the “**LTD Range**”), with the median and average of the discounts being approximately 28.92% and 34.44%, respectively. The Subscription Price represents a discount of approximately 31.62% to the closing price of the Share on the Last Trading Day, which is within the LTD Range and is close to the aforesaid median and average of discounts of the Comparables.

In relation to the TERP of the Comparables, we noted that the subscription prices for all of the Comparables represented discounts to the TERP based on the respective last trading day. The discount of the TERP based on the respective last trading day of the Comparables ranged from a discount of approximately 4.76% to 63.50% (the “**TERP Range**”), with the median and average of the discounts being approximately 14.50% and 23.58%, respectively. The Subscription Price represents a discount of approximately 18.78% to the TERP of the Share based on the Last Trading Day, which is within the TERP Range and is close to the aforesaid median and average of discounts of the Comparables.

Regarding net asset values, we noted that the subscription prices of nine of the Comparables were at a discount to their respective consolidated net asset value per share. One of the Comparables had a net deficit prior to its last trading day such that the relevant subscription price was not applicable for comparison against its consolidated net asset value, while the remaining two of the Comparables recorded premium to their respective consolidated net asset value per share. Overall, the discount/premium of the subscription price to/over the net asset value per share of the Comparables ranged from a discount of approximately 97.90% to a premium of approximately 48.15% (the “**NAV Range**”), with the average and median of discounts of approximately 82.00% and 48.87%, respectively. The Subscription Price represents a discount of approximately 33.33% to the net asset value per Share, which is within the NAV Range and is below the aforesaid median and the average of discounts of the Comparables.

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Taking into consideration that (i) setting the subscription prices at discounts to closing prices on the last trading day and TERP represents a common market practice, with the discounts reflected by the Subscription Price aligning with those median and average of the Comparables; (ii) the Subscription Price reflects a discount of approximately 33.33% to the net asset value per Share, which is below both the median and average discounts observed among the Comparables; (iii) the trading volume of the Shares was thin during the Review Period; (iv) the discount to closing prices offered by the Subscription Price could enhance the attractiveness of the Rights Issue and encourage Qualifying Shareholders to participate; and (v) the interest 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, we are of the view that the Subscription Price is acceptable so far as the Independent Shareholders are concerned.

Placing commission

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold 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 on a pro rata basis. The Placing Agent shall be entitled to a commission equal to 2.00% of the amount that have been successfully placed by the Placing Agent.

As set out in table under the subparagraph headed “Comparison with recent rights issue transactions”, we noted that the placing commission rate of the Comparables ranged from 0.20% to 5.00%, with a median of 1.50% and an average of 1.97%. The placing commission rate of 2.00% under the Placing Agreement is within the range of the Comparables and close to the average placing commission rate of the Comparables. Furthermore, according to the Placing Agreement, there is no fixed placing fee to be payable by the Company. Therefore, we are of the view that the placing commission rate of 2.00% under the Placing Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

(iv) Dilution effect of the Rights Issue on shareholding interests

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 selling their nil-paid rights to subscribe for the Rights Shares in the market. However, they and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in table under the subparagraph headed “Comparison with recent rights issue transactions” in this letter, the maximum dilution of the Comparables ranged from approximately 6.63% to approximately 24.78%. We noted that the theoretical dilution effect of the Rights Issue of approximately 15.81% falls within the above range and is below the median and average of the Comparables of approximately 19.72% and 18.24%, respectively.

In all cases of rights issue transaction, 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. 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 the existing shares is, the greater the dilution on the shareholding would be.

Having considered (i) the dilution effect is not prejudicial as all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and 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 Qualifying Shareholders have the opportunity to realise their nil-paid rights to subscribe for the Rights Shares in the market, subject to availability; and (iii) the theoretical dilution effect of the Rights Issue falls within the range and is below the median and average of the Comparables, we are of the view that the potential dilution effect on the shareholding, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Rights Shares, is justifiable.

(v) **Financial effects of the Rights Issue**

Net tangible assets

Based on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company set out in Appendix II to the Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 was approximately HK\$42.9 million. Upon completion of the Rights Issue assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company would become approximately HK\$83.7 million, representing an increase of approximately 95.1%.

Liquidity

Assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date, as part of the Net Proceeds of approximately HK\$10.0 million from the Rights Issue will be used as the general working capital of the Group, the working capital position of the Group would be improved upon completion of the Rights Issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Gearing ratio

The gearing ratio of the Group (calculated by dividing the total consolidated borrowings of the Group by the equity attributable to owners of the Company) as at 30 September 2025 was approximately 3.8%. Assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date, as part of the Net Proceeds of approximately HK\$8.5 million from the Rights Issue would be applied to repay the amount due to a director, the total consolidated borrowings of the Company would be reduced while the equity attributable to owners of the Company would be enlarged by the Net Proceeds. As such, the Group's gearing ratio would be decreased upon completion of the Rights Issue.

Having considered the above, we are of the view that the Rights Issue is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration of the above principal factors and reasons, we are of the opinion that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favor of the resolution to be proposed at the EGM to approve the Rights Issue.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Louis Chan
Director

Ben Chui
Associate Director

Note:

Mr. Louis Chan is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Octal Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 20 years of experience in corporate finance and investment banking.

Mr. Ben Chui is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Octal Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 15 years of experience in accounting and corporate finance.

I. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 March 2023, 2024 and 2025 and six months ended 30 September 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wanjia-gp.com/>):

- Interim report of the Company for the six months ended 30 September 2025 (pages 5 to 21)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1125/2025112500451.pdf>

- Annual report of the Company for the financial year ended 31 March 2025 (pages 119 to 259)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0730/2025073000635.pdf>

- Annual report of the Company for the financial year ended 31 March 2024 (pages 113 to 263)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0730/2024073000374.pdf>

- Annual report of the Company for the financial year ended 31 March 2023 (pages 109 to 247)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0725/2023072500383.pdf>

The management discussion and analysis of the Company for the six months ended 30 September 2025 and each of the financial years ended 31 March 2023, 2024 and 2025 are disclosed in the interim report of the Company for the six months ended 30 September 2025 and annual reports of the Company for the financial years ended 31 March 2023, 2024 and 2025 respectively.

II. INDEBTEDNESS

As at the Latest Practicable Date, for the purpose this indebtedness statement, the indebtedness of the Group was as follows:

Indebtedness statement

At the close of business on 31 December 2025, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the date of this circular, the Group had total indebtedness as following:

	As at 31 December 2025 HK\$'000
Loans from a director – unsecured (<i>Note 1</i>)	5,800
Other loans – secured (<i>Note 2</i>)	72
Lease liabilities	<u>9,428</u>
	<u><u>15,300</u></u>

Note 1: As at 31 December 2025, loans from a director were unsecured, bearing fixed interest rate at 5.25% per annum until 31 November 2025. Effective 1 December 2025, these loans became interest-free and are repayable on demand.

Note 2: As at 31 December 2025, the Group's secured other loans borrowings were classified as current liabilities, and the loans are secured by vehicles with carrying amounts of RMB64,000 (equivalent to approximately HK\$72,000) as at 30 November 2025, guaranteed by certain of our other PRC subsidiaries and with floating interest rates in the range of People's Bank of China's loan prime rate plus 7.10% to 9.23% per annum.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as of 31 December 2025, being the latest practicable date for determining indebtedness, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees or other material contingent liabilities, nor any authorised or otherwise created but unissued debt securities.

III. WORKING CAPITAL

The Directors are of the opinion that taking into account the existing banking and other borrowing facilities available, the existing cash and bank balances and the effect of the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

IV. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 March 2025, being the date to which the latest published audited financial statements of the Company were made up, and up to and including the Latest Practicable Date.

V. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in pharmaceutical wholesale and distribution business (the “**Wholesale Business**”) and hemodialysis treatment and consultancy service business (the “**Hemodialysis Business**”) in the PRC.

In terms of the Wholesale Business, the Group has a large and broad customer base through its distribution network in Fujian Province in the PRC. The Group distributes pharmaceutical products to its customers located principally in the Fujian Province in the PRC.

In respect of the Hemodialysis Business, the Group currently operates several self-operated hemodialysis treatment centers spread across the Guangdong Province, PRC.

The Group will centralise its resources in developing the hemodialysis treatment and consultancy service business. The Group will look to further develop its hemodialysis treatment and consultancy service business through organic growth and acquisitions.

Looking forward, the Group will focus on developing such segment through establishment of new self-operated hemodialysis treatment centres and provide hemodialysis consultancy service to hospitals in the PRC so as to expand its operating scale and further penetrate in the market.

The Group believes that the demand for hemodialysis services in the PRC market is still far from being met and has great potential for development. Based on the Group’s experience and strength in the medical field, the further exploration and expansion from its existing businesses to the continuously rising hemodialysis sector will become the driving force for building its further influence in the market and create better return to the Shareholders.

The Group will continue to pay attention to different investment opportunities, identify appropriate businesses and projects for shareholders, and increase shareholders returns.

APPENDIX II UNDATED PRO FORMA FINANCIAL INFORMATION

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

The following unaudited pro forma financial information of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules 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 proposed rights issue on the basis of one Rights Shares for every one existing shares held by the qualified shareholders on the record date (the “**Rights Issue**”) on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 September 2025.

The unaudited pro forma financial information of the Group is prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue as at the date to which it is made up or at any future date.

The unaudited pro forma financial information of the Group is prepared based on the unaudited consolidated net tangible assets attributable to owners of the Company as at 30 September 2025 and adjusted to reflect the effect of the Rights Issue as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Company upon the completion of the Rights Issue <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company as of 30 September 2025 and prior to the completion of the Rights Issue <i>(Note 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after the completion of the Rights Issue <i>(Note 5)</i>
Based on 560,222,136 Rights Shares at subscription price of HK\$0.08 per Rights Share <i>(Note 1)</i>	<u>42,929</u>	<u>40,820</u>	<u>83,749</u>	<u>HK\$0.077</u>
Based on 641,015,190 Rights Shares at subscription price of HK\$0.08 per Rights Share <i>(Note 2)</i>	<u>57,717</u>	<u>47,280</u>	<u>104,997</u>	<u>HK\$0.090</u>

APPENDIX II UNDATED PRO FORMA FINANCIAL INFORMATION

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 of approximately HK\$42,929,000 as extracted from the published interim report of the Company for the six months ended 30 September 2025.
2. Assuming 80,793,054 outstanding share options are fully exercised by the option holders on or before the Record Date. The unaudited consolidated net tangible asset of the Group attributable to owners of the Company as at 30 September 2025 would increase by approximately HK\$14,788,000, to a total of HK\$57,717,000.
3. The estimated net proceeds from the Rights Issue of the Rights Shares are approximately HK\$40,820,000 or HK\$47,280,000, based on the issuance of either 560,222,136 or 641,015,190 Rights Shares (assuming 80,793,054 new Shares having been allotted and issued upon full exercise of the outstanding Share Options by the Option Holders on or before the Record Date) at a subscription price of HK\$0.08 per Rights Share, after deducting estimated related expenses of approximately HK\$4,000,000.
4. The number of Shares used for the calculation of the unaudited consolidated net tangible assets per Share attributable to owners of the Company prior to the completion of the Rights Issue is based on 560,222,136 or 641,015,190 Shares in issue as at 30 September 2025.
5. The number of shares used for calculating the unaudited pro forma adjusted consolidated net tangible assets per share attributable to the owners of the Company upon completion of the Rights Issue is based on either 1,120,444,272 or 1,282,030,380 shares in issue. This includes the existing 560,222,136 or 641,015,190 shares in issue as of 30 September 2025, along with an additional 560,222,136 or 641,015,190 shares to be issued pursuant to the Rights Issue.
6. No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group subsequent to 30 September 2025.

APPENDIX II UNDATED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN AN INVESTMENT CIRCULAR

To the Board of Directors of Wanjia Group Holdings Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Wanjia Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statements of adjusted consolidated net tangible assets of the Group as at 30 September 2025 and related notes as set out on pages II-1 to II-2 of Appendix II of the circular issued by the Company dated 21 January 2026 (the “**Circular**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on pages II-3 to II-6 of Appendix II of the Circular.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed rights issue in the proportion of one rights shares for every one existing shares held by qualifying shareholders on the record date at HK\$0.08 per rights share (the “**Proposed Rights Issue**”) on the Group’s financial position as at 30 September 2025 as if the Proposed Rights Issue had taken place at 30 September 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated financial statements for the six months ended 30 September 2025, on which an interim 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 of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) 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.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

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

APPENDIX II UNDATED PRO FORMA FINANCIAL INFORMATION

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 pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment 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 the purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

APPENDIX II UNDATED PRO FORMA FINANCIAL INFORMATION

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.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Tien Sun Kit Jack

Practising Certificate Number: P07364

Hong Kong, 21 January 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL**(a) As at the Latest Practicable Date**

Authorised share capital:	<i>HK\$</i>
<u>1,000,000,000</u> Shares of HK\$0.05 each	<u>50,000,000</u>
Issued and fully paid:	
<u>560,222,136</u> Shares of HK\$0.05 each	<u>28,011,106.8</u>

(b) Immediately following the Increase in Authorised Share Capital having become effective and the completion of the Rights Issue (assuming (i) no change in the number of issued Shares from the Latest Practicable Date up to the Record Date; and (ii) all Qualifying Shareholders have taken up the Rights Shares to which they are entitled))

Authorised share capital:	<i>HK\$</i>
<u>2,000,000,000</u> Shares of HK\$0.05 each	<u>100,000,000</u>
Issued and fully paid:	
<u>560,222,136</u> Shares in issue	<u>28,011,106.8</u>
<u>560,222,136</u> Rights Shares to be allotted and issued under the Rights Issue	<u>28,011,106.8</u>
<u>1,120,444,272</u> Shares in issue immediately upon completion of the Rights Issue	<u>56,022,213.6</u>

- (c) **Immediately following the Increase in Authorised Share Capital having become effective and the completion of the Rights Issue (assuming (i) full exercise of the outstanding Share Options; and (ii) all Qualifying Shareholders have taken up the Rights Shares to which they are entitled)**

Authorised share capital:		HK\$
<u>2,000,000,000</u>	Shares of HK\$0.05 each	<u>100,000,000</u>
Issued and fully paid:		
<u>641,015,190</u>	Shares in issue	<u>32,050,759.5</u>
<u>641,015,190</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>32,050,759.5</u>
<u>1,282,030,380</u>	Shares in issue immediately upon completion of the Rights Issue	<u>64,101,519.0</u>

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holder 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 fully-paid Rights Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully paid forms. 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.

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

As at the Latest Practicable Date, save for the Share Options, the Company has no outstanding convertible securities, options or warrants and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, the Company does not hold any treasury shares (as defined under the Listing Rules).

3. DISCLOSURE OF INTERESTS

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

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

Long position in Existing Shares and underlying shares of the Company

Name of Director	Nature of interests	Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	Approximate percentage of issued Shares
Mr. Wang (<i>Note 1</i>)	Interest of spouse	156,862,198	2,500,00	169,275,611	30.22%
	Beneficial owner	520,000	9,393,413		
Dr. Liu Yongping (“ Dr. Liu ”) (<i>Note 2</i>)	Beneficial owner	–	340,419	340,419	0.06%

Notes:

- Mr. Wang is the beneficial owner of 9,393,413 share options. Mr. Wang (being the spouse of Ms. Yung) is deemed to be interested in 2,500,000 share options owned by Ms. Yung. Power King, a company wholly-owned by Ms. Yung, owns a total of 156,862,198 Shares. Each of Ms. Yung and Mr. Wang is, therefore, deemed to be interested in the 9,393,413 and 2,500,000 share options respectively and the 156,862,198 Shares held by Power King, under the SFO.
- Dr. Liu, an independent non-executive Director, is interested in Share Options which can be exercised to subscribe for 340,419 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of substantial Shareholders

As far as was known to any Director or chief executive of the Company, as at the Latest Practicable Date, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Nature of interests	Number of Existing Shares	Approximate percentage of total issued Shares
Power King (<i>Note</i>)	Beneficial owner	156,862,198	28.00%

Note:

Power King is interested in 156,862,198 Shares. The issued share capital of Power King is wholly-owned by Ms. Yung. Mr. Wang is deemed to be interested in the Shares in which Power King is interested in under the SFO.

Save as disclosed above and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

4. LITIGATION

As at the Latest Practicable Date, as far as the Directors are aware, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

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

6. COMPETING INTERESTS

As at the Latest Practicable Date, Ms. Yung, the spouse of Mr. Wang, the executive Director, had invested in certain clinics which were engaged in hemodialysis treatment. As advised by Ms. Yung, the clinics that she invested in are allocated in other cities of the PRC that the Group's clinics had no presence there. The Board noted the fact that hemodialysis patients could not travel long distance, e.g. cross cities, for treatment due to their health issues and affordability. Hence, there is no direct competition between the hemodialysis treatment offered by the Group and that offered by the clinics invested by Ms. Yung.

Save as disclosed above, none of the Directors or their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

7. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2025, the date to which the latest published audited accounts of the Group were made up.

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

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) of the Group have been entered into by the members of the Group during the period commencing two years preceding the date of this circular and are or may be material:

- (i) the tenancy agreement dated 22 July 2025 entered into between the Company as lessee and Harbour City Estate Limited as landlord in respect of the renewal of lease of the office premises of the Company; and
- (ii) the Placing Agreement.

9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinions, letters or advice contained in this circular:

Name	Qualifications
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
Octal Capital 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 has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the above experts had any shareholding, directly or indirectly, in any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the above experts had any direct or indirect interest in any assets which had been, since 31 March 2025 (the date to which the latest published audited financial statements of the Group were made up), acquired, or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Vistra (Cayman) Limited P.O. Box 31119, Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman KYI-1205 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Suite 1801, 18/F, Tower 1 The Gateway, Harbour City 25 Canton Road, Kowloon Hong Kong
Authorised Representatives	Mr. Wang Jia Jun Suite 1801, 18/F, Tower 1 The Gateway, Harbour City 25 Canton Road, Kowloon Hong Kong Mr. Tam Sze Kin Suite 1801, 18/F, Tower 1 The Gateway, Harbour City 25 Canton Road, Kowloon Hong Kong
Company Secretary	Mr. Tam Sze Kin <i>A member of The Chartered Professional Accountants of Canada and a member of Hong Kong Institute of Certified Public Accountants</i>
Financial Adviser to the Company	INCUB Corporate Finance Limited Unit 1402, 14/F Winsome House 73 Wyndham Street Central, Hong Kong
Legal Advisers to the Company as to Hong Kong laws	CLKW Lawyers LLP Rooms 1901A, 1902 & 1902A, 19/F New World Tower I 16-18 Queen's Road Central Central, Hong Kong

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Octal Capital Limited 801-805, 8/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Placing Agent	Kingkey Securities Group Limited 13/F 88 Lockhart Road Wan Chai, Hong Kong
Auditor/Reporting Accountants of the Company	HLB Hodgson Impey Cheng Limited Certified Public Accountants 31/F, Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong
Principal Banker	Bank of Communications Co., Limited Hong Kong Branch 20 Pedder Street Central, Hong Kong
Principal share registrar and Transfer Office	Vistra (Cayman) Limited P.O. Box 31119, Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman KYI-1205 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

11. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$4.0 million, which are payable by the Company.

12. PARTICULARS OF DIRECTORS

Executive Director

Mr. Wang, aged 37, was appointed as the chief executive officer of the Company with effect from 1 April 2020 and the executive Director since 31 August 2018. Mr. Wang was also appointed as the vice president of Zhuhai Shengchuang Medical Investment Management Company Limited[#] (珠海升創醫療投資管理有限公司), an indirect non wholly-owned subsidiary of the Company) since 1 September 2022 and is responsible for developing and implementing business strategies of the Company in the PRC. Mr. Wang obtained a bachelor's degree in Business Management from Stony Brook University in the United States of America in 2011. He also obtained a master's degree in Health Administration from Columbia University in the United State of America in 2017. He has over 5 years of experience in the areas of business analysis and development across major cities in the PRC.

Non-executive Director

Dr. Xiao Zhixin (“**Dr. Xiao**”), aged 85, was appointed as a non-executive Director, with effect from 15 October 2021. Dr. Xiao has over 50 years of experience in both medical practice and management in the healthcare sector in the PRC. He obtained a bachelor's degree in clinical medicine from Jilin Medical University[#] (吉林醫科大學) in the PRC in 1964. Since his graduation from the medical school in Jilin Medical University, Dr. Xiao has worked as a medical practitioner in The Fourth Hospital of Jilin University[#] (吉林大學第四醫院) until May 2018. From May 2018 to July 2018, Dr. Xiao was a medical practitioner in Jining Rengcheng Hanjun Beauty Hospital[#] (濟寧任城韓駿美容醫院). Dr. Xiao was a medical practitioner in Zhuhai Jiulong Hospital[#] (珠海九龍醫院) from July 2018 to April 2019. From April 2019 to present, Dr. Xiao is a medical practitioner in Zhuhai Yimei Ladies Medical Beauty Clinic[#] (珠海伊美名媛醫療美容診所).

Independent non-executive Directors

Dr. Liu, aged 70, has been an independent non-executive Director since 27 February 2014. Dr. Liu is a practicing solicitor in Hong Kong and a consultant of a law firm in Hong Kong. Dr. Liu has over 20 years of experience in the capital market and merger and acquisition legal services sector. Dr. Liu graduated from the University of London with a master's degree in law in 1987 and from the University of Oxford with a doctor's degree in philosophy in 1994. Apart from his appointment with the Company, Dr. Liu has been acting as an independent non-executive director of Yue Da International Holdings Limited (stock code: 629, formerly known as Yue Da Mining Holdings Limited) since June 2010; and an independent non-executive director of Logan Group Company Limited (stock code: 3380) since March 2023, all being listed on the Main Board of the Stock Exchange.

Ms. Chan Wing Shan Winsome (“**Ms. Chan**”), aged 54, has been appointed as an independent non-executive Director since 13 September 2024. Ms. Chan obtained her bachelor's degree in business administration, specializing in marketing and human resource management, from Simon Fraser University, Canada. Ms. Chan has spent over two decades of her career, spanning from 1998 to 2023, serving as one of the senior management at the Hong Kong Trade Development Council (“**HKTDC**”), the statutory organization responsible for promoting and developing Hong Kong trade in products and services. Ms. Chan most recently held the position of Associate Director of the Marketing and Customer Service Department of HKTDC from 2022 to 2023, where she was responsible for, among others, leading a team of 70 staff within the department covering various core corporate functions, developing and managing marketing campaigns, and marketing budget management. Prior to this, Ms. Chan held various management positions within HKTDC, including but not limited to the position of the Director of Germany, Central Europe and Benelux from 2019 to 2022, where she was primarily tasked to supervise and oversee the management and operation of HKTDC's overseas branch offices in Europe, and the positions of Senior Manager of International and Mainland Relations and Senior Manager of Belt and Road External Relations from 2016 to 2019, where she was primarily tasked to supervise and oversee high-level external relations and outreach activities covering Mainland China, the Americas and Europe.

Ms. Xu Wei (“Ms. Xu”), aged 56, has been appointed as an independent non-executive Director since 30 September 2024. Ms. Xu obtained her Bachelor’s degree in Economics majoring in Accounting from Xiamen University, the People’s Republic of China (“PRC”), in 1992. Ms. Xu is a fellow member of the Institute of Public Accountants in Australia, and has extensive experience in finance and accounting. She is currently the operation manager of a private company in Hong Kong, a role she held since 2024. Ms. Xu is also currently an independent non-executive director of Smart-Core Holdings Limited, a company listed on the Stock Exchange (stock code: 2166) since December 2021, and was previously an executive director and financial controller of PT International Development Corporation Limited, a company listed on the Stock Exchange (stock code: 372), from 2017 to 2022.

Business address of the Directors

The business address of the Directors is the same as the Company’s head office and principal place of business in Hong Kong at Suite 1801, 18/F., Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong.

13. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The English text of this circular and the accompanying form of proxy shall prevail over the respective Chinese text in the case of inconsistency.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wanjia-gp.com/>), for a period not less than 14 days before the date of the EGM:

- (a) the letter from the Board, the text of which is set out on pages 11 to 37 of this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 38 to 39 of this circular;
- (c) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages IFA-1 to IFA-22 of this circular;

- (d) the report from HLB Hodgson Impey Cheng Limited on the unaudited pro forma financial information of the Group as set out in Appendix II of this circular;
- (e) the material contracts referred to in the section headed “Material Contracts” to this appendix;
- (f) the written consents referred to in the section headed “Experts and Consents” in this appendix; and
- (g) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



WANJIA GROUP HOLDINGS LIMITED 萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Wanjia Group Holdings Limited (the “Company”) will be held at 11:00 a.m. on Tuesday, 10 February 2026 at Suite 1801, 18/F., Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong for the purposes of considering and, if thought fit, passing with or without amendments the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**,
 - (a) the authorised share capital of the Company be increased from HK\$50,000,000 divided into 1,000,000,000 shares to HK\$100,000,000 divided into 2,000,000,000 shares by creating an additional 1,000,000,000 unissued shares (the “**Increase in Authorised Share Capital**”); and
 - (b) any one of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”
2. “**THAT**, subject to the conditions set out in the letter from the board under the section headed “Conditions Precedent of the Rights Issue” in the Circular:
 - (a) the allotment and issue of 560,222,136 new Shares (assuming no change in the number of Shares in issue on or before the Record Date (as defined below) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) (the “**Rights Shares**”) pursuant to an offer by way of rights to the shareholders of the Company (the “**Shareholders**”) at the subscription price of HK\$0.08 per Rights Share (the “**Subscription Price**”) on the basis of one (1) Rights Share for every one (1) Share held by the Shareholders (the “**Qualifying Shareholders**”) whose names appear on the register of members of the Company on Wednesday, 25 February 2026, or such other date as may be determined by the Company for determining entitlements of Shareholders to participate in the Rights Issue (as defined below) (the “**Record**

NOTICE OF EXTRAORDINARY GENERAL MEETING

Date”), as described in further details in the Circular (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), save for the Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) to whom the Directors, based on the results of the enquiries made by the Company from such legal adviser(s) in the relevant jurisdiction(s) in respect of applicable local laws and regulations, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s) (the “**Excluded Shareholders**”), and on and subject to such terms and conditions as may be determined by the Directors (the “**Rights Issue**”), be and is hereby approved, confirmed and ratified;

- (b) the placing agreement dated 30 December 2025 (the “**Placing Agreement**”) and entered into between the Company and Kingkey Securities Group Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for the purpose of identification), in relation to the placing of the Rights Shares not subscribed by the Qualifying Shareholders and/or the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the board of Directors or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to any Excluded Shareholders, and to do all such acts and things or make such arrangements as it considers necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and

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- (d) any one or more Directors be and is/are hereby authorised to do all such acts, deeds and things, to sign and execute all such further documents or deeds and to take such steps as he/they may in his/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.”

By order of the Board
WANJIA GROUP HOLDINGS LIMITED
Wang Jia Jun
Chief Executive Officer and Executive Director

Hong Kong, 21 January 2026

Registered office:
Vistra (Cayman) Limited
P.O. Box 31119,
Grand Pavilion Hibiscus Way,
802 West Bay Road
Grand Cayman KYI-1205
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Suite 1801, 18/F., Tower 1
The Gateway, Harbour City
25 Canton Road, Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, subject to provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy needs not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the EGM is enclosed with the circular of the Company dated 21 January 2026. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he/she/it so wish.
3. In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Sunday, 8 February 2026) before the time appointed for holding the EGM or any adjournment thereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. In the cast of joint holders of Shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such Shares as if he/she/it was solely entitled thereto, but if more than one such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Wednesday, 4 February 2026 to Tuesday, 10 February 2026 (both days inclusive) during which period no transfer of Shares will be registered. The record date for determination of entitlements of the members of the Company to attend and vote at the EGM will be on Tuesday, 10 February 2026. In order to qualify for attending and voting at the EGM, all relevant transfer documents accompanied by the relevant Share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, 3 February 2026 for registration.
6. As at the date of this notice, the board of directors of the Company comprises one executive Director, namely Mr. Wang Jia Jun, one non-executive Director, namely Dr. Xiao Zhixin, and three independent non-executive Directors, namely Dr. Liu Yongping, Ms. Chan Wing Shan Winsome and Ms. Xu Wei.