



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:

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Ms. Chan Wing Shan Winsome

Ms. Xu Wei

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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.

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

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)

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 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.

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.

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 placees 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.

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).

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.

(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.

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;

- (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.

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.

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.

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 placees 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 placees 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 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 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.

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.

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>

- (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.

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

- (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 to 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.

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.

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	156,862,198	28.00	313,724,396	28.00	313,724,396	28.00	171,304,738	29.81
(Notes 1 & 2)								
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

Notes:

1. 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.
2. 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.
3. 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	156,862,198	24.47	313,724,396	24.47	313,724,396	24.47	188,799,331	28.06
(Notes 1 & 2)								
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
Places	–	–	–	–	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:

1. 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.
2. 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.
3. 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.
4. 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.

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;

- (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%

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.

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.

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.

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.

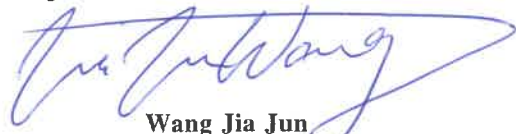
Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

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