

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

26 February 2026

To the Shareholders and,

for information only, the Excluded Shareholders

Dear Sir/Madam,

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

INTRODUCTION

References are made to (i) the Rights Issue Announcement and (ii) the Circular in relation to (a) the Increase in Authorised Share Capital, (b) the Rights Issue and (c) the Placing.

At the EGM, the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll. Power King and Mr. Wang had abstained from voting in favour of the proposed resolutions at the EGM. The Increase in Authorised Share Capital had become effective on 11 February 2026.

The purpose of this Prospectus is to provide you with, among other things, (i) further details of the Rights Issue; (ii) financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other general information of the Group.

RIGHTS ISSUE

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 560,222,136 Rights Shares
Aggregate nominal value of the Rights Shares	:	up to HK\$28,011,106.8
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	up to 1,120,444,272 Shares (assuming that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	up to approximately HK\$44.82 million before expenses (assuming full subscription under the Rights Issue)
Net proceeds from the Rights Issue	:	up to approximately HK\$40.82 million after expenses (assuming full subscription under the Rights Issue)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK\$0.073 per Rights Share (assuming full subscription under the Rights Issue)
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. None of the Share Options had been exercised since the date of the Rights Issue Announcement up to and including the Latest Practicable Date, which is subsequent to the commencement of closure of register of members to determine the eligibility of the Rights Issue. As such, there are 560,222,136 Shares in issue with entitlement under the Rights Issue as at the Record Date. 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 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.

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.

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 30.43% to the closing price of HK\$0.115 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 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 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 (the “**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 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 each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the 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 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, save for conditions (i) and (ii), the above conditions have not been fulfilled.

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.

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.

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.

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.

As the register of members of the Company is already closed as at the Latest Practicable Date and will remain closed up to the Record Date, there will be no additional Overseas Shareholder and save for the Overseas Shareholders with registered addresses in the PRC, there were no Excluded Shareholder on the Record Date.

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.

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. Any acceptance of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that such local laws, regulations and requirements of the relevant territory or jurisdiction have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation and warranty. If you are in any doubt as to your position, you should consult a professional adviser.

Receipt of any of the Prospectus Documents or the crediting of nil-paid rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the relevant Prospectus Document(s) must be treated as sent for information purposes only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of any of the Prospectus Documents or whose stock account in CCASS is credited with nil-paid rights should not, in connection with the Rights Issue, distribute or send the same to, or transfer nil-paid rights to any Excluded Shareholder. If a PAL is received by, or any nil-paid rights are credited to any stock account in CCASS of, any person in any such territory (or his/her/its agent or nominee), he/she/it should not take up such nil-paid rights, transfer the PAL, or transfer the nil-paid rights credited to any stock account in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this Prospectus or a PAL to any Excluded Shareholder (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

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.

Procedures for acceptance and payment or transfer

A PAL will be sent to the Qualifying Shareholder(s) in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Thursday, 12 March 2026 (or, under bad weather conditions and/or Extreme Conditions, such later time or date as mentioned in the section headed “**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**” in the section headed “**Expected Timetable**” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**WANJIA GROUP HOLDINGS LIMITED – PROVISIONAL ALLOTMENT ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 12 March 2026, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Wednesday, 4 March 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" above are not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 1 April 2026.

No receipt will be issued in respect of any application monies received.

Beneficial owners' instructions to their Intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the section headed "Expected Timetable" in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or "splitting" in these cases shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other applicable requirements of CCASS.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risk, on or before Wednesday, 1 April 2026. Refund cheques (without interest), if the Rights Issue is terminated, 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.

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 and 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:	<p>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.</p>
Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	<p>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.</p>
Conditions precedent:	<p>The obligations of the Placing Agent under the Placing Agreement are conditional upon:</p> <ul style="list-style-type: none"> (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; (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 has applied 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

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any 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.

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 places 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 or ES Unsold Rights Shares could eventually be successfully placed by the Placing Agent.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As 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 no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares under the Rights Issue, for illustration purposes only:

	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 %
Director's interest								
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								
Places	-	-	-	-	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.

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 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\$25.4 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. 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) for the 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) 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) 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 "Determination of the Subscription Price" under the section headed "Rights Issue" in this Prospectus, 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.

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.

POSSIBLE ADJUSTMENTS RELATING TO THE SHARE OPTIONS

Pursuant to the terms of the 2013 Share Option Scheme, the exercise prices and/or number of new Shares to be issued upon exercise of the Share Options may be adjusted in accordance with the 2013 Share Option Scheme, if any, upon the Rights Issue becoming unconditional. The Company will notify the Option Holders the adjustments upon the Rights Issue becoming unconditional by further announcement, if necessary.

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

Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 2 March 2026 to Monday, 9 March 2026 (both dates inclusive). 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 Prospectus above.

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).

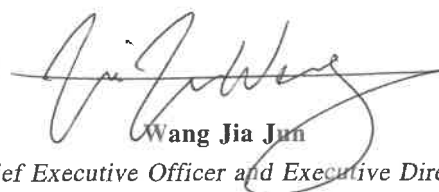
ADDITIONAL INFORMATION

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

Yours faithfully

For and on behalf of the Board

WANJIA GROUP HOLDINGS LIMITED



Wang Jia Jun
Chief Executive Officer and Executive Director