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Zhong Jia Guo Xin Holdings Company Limited

中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE**

References are made to the announcements of the Company dated 14 February 2025, 8 August 2025 and 11 August 2025 in relation to supplemental agreement to the agreement for disposal of the target company, retirement of directors and voluntary announcement business update (the “**Announcements**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements. The Company is on a voluntary basis to provide the Shareholders and potential investors with a further update on the business development of the Group.

FURTHER UPDATE ON THE STATUS OF JIUYUAN MINE AND JINHAO MINE

The Company wishes to further update the circumstances occurred after the publication of the Company’s 2024 annual report of 26 July 2024, which affects the commencement of operation of Jiuyuan Mine and Jinhao Mine as illustrated in Appendix A and Appendix B.

Appendix A – Jiuyuan Mine

Date/Period	Key Event/Circumstance	Details of Government Instructions/ Verbal Guidance/Regulatory Requirements	Company's Actions Taken and Latest Status of Fulfillment
Early September 2024	Occurrence of Typhoon Yagi (摩羯), causing severe flooding and geological disasters in southern Yunnan, including Pu'er area, as the strongest typhoon impacting the region in a decade (per Department of Emergency Management of Yunnan Province data). This directly damaged mining infrastructure and halted ongoing improvement works.	Regulatory Basis: Aligns with China's Production Safety Law and Emergency Response Law, requiring immediate risk mitigation after disasters. <i>Key Requirements:</i> <ul style="list-style-type: none"> Dewatering and Structural Inspections: Mandated to prevent secondary disasters (e.g., mine collapses or landslides). Provincial Department of Natural Resources (DNR) instructions emphasized compliance with Geological Disaster Prevention Regulations. 	Commenced dewatering and inspections. Status: Completed by December 2024; reports submitted.
October – December 2024	Post-typhoon recovery and re-inspection of existing infrastructure, delaying resumption of upgrade works.	<ul style="list-style-type: none"> Risk Assessment Protocols: Required third-party engineering validation. Enforcement Mechanism: Local Emergency Management Bureaus imposed strict deadlines (completed by December 2024). 	

Date/Period	Key Event/Circumstance	Details of Government Instructions/ Verbal Guidance/Regulatory Requirements	Company's Actions Taken and Latest Status of Fulfillment
January – February 2025	Lunar New Year holiday disruptions, halting works for nearly a month, exacerbating recovery timelines.	Verbal guidance from DNR mandating re-evaluation of ecological preservation standards under the 2024 Ministry of Natural Resources Notice “Strengthening Green Mine Construction” (No. 1).	(1) Resumed works post-holiday; implemented employee training and emergency response plans;
		Policy Context: Driven by the 2024 MNR Notice “Strengthening Green Mine Construction” (加強綠色礦 山建設), which operationalizes the State Council’s Financial “Five Major Articles” directive prioritizing green finance.	(2) Assess and upgrade tailings facilities and further refinements ongoing with submitted revised plans.
		Core Obligations:	
		<ul style="list-style-type: none"> • Tailings Management: Upgrades must prevent environmental contamination (e.g., leakage, dust pollution). • Employee Training: Focused on implementing emergency response plans aligned with Green Finance Support Project Catalog (2025) for sustainable resource use. • Strategic Shift: Notice No. 1 moves ecological compliance from post-closure to active operational phase, demanding real-time monitoring and reporting. 	

Date/Period	Key Event/Circumstance	Details of Government Instructions/ Verbal Guidance/Regulatory Requirements	Company's Actions Taken and Latest Status of Fulfillment
March – Present	Iterative multi-departmental reviews, including new requirements for cross-border ecological corridor assessments and carbon offset obligations.	<p data-bbox="703 320 1177 566">Supplementary verbal instructions from local regulators in early 2025 requiring specialized certification for production safety, ecological preservation, and sustainable resource utilization before commercial operations, emphasizing “safety-first” priorities.</p> <p data-bbox="703 607 970 636">New Regulatory Layers:</p> <ul data-bbox="703 676 1177 2067" style="list-style-type: none"> <li data-bbox="703 676 1177 1099">• Carbon Offset Obligations: This includes adopting technologies and practices to reduce carbon footprints, such as energy-efficient equipment or carbon capture. While carbon offsets are not explicitly required for licensing, demonstrating compliance with environmental standards, including carbon management, may be necessary to meet the “green mine” criteria under Mineral Resources Law (2024 Revision). <li data-bbox="703 1144 1177 1816">• Cross-Border Ecological Corridor Assessments: Cross-Border Ecological Corridor Assessments in China’s mining business focus on evaluating the environmental impacts of mining activities that span international boundaries, aiming to ensure sustainable resource extraction while preserving biodiversity and ecological connectivity. These assessments are increasingly relevant due to China’s tightened environmental regulations since 2015. The Mineral Resources Law (2024 Revision) emphasizes green mining, potentially requiring assessments to mitigate transboundary ecological damage, though specific cross-border protocols are not explicitly detailed. <li data-bbox="703 1861 1177 2067">• Multi-Department Oversight: Joint evaluations by DNR, Ecological Environment Bureau, and Emergency Management reflect interagency enforcement of Beautiful China initiatives. 	<p data-bbox="1198 320 1442 495">(1) Revised and resubmitted plans incorporating feedback with the local government;</p> <p data-bbox="1198 539 1442 819">(2) Conducted new additional assessments in July 2025, pending for result. (expected first feedback Q4 2025);</p> <p data-bbox="1198 864 1442 1211">(3) Final multi-departmental approvals targeted for Q2 2026, paving the way for infrastructure finalization and production commencement in Q4 2026.</p>

Appendix B – Jinhao Mine

Date/Period	Key Event/Circumstance	Details of Government Instructions/ Verbal Guidance/Regulatory Requirements	Company's Actions Taken and Latest Status of Fulfillment
Early September 2024	Occurrence of Typhoon Yagi (摩羯), causing severe flooding and geological disasters in southern Yunnan, including Pu'er area, as the strongest typhoon impacting the region in a decade (per Department of Emergency Management of Yunnan Province data). This directly damaged mining infrastructure and halted ongoing improvement works.	Regulatory Basis: Aligns with China's Production Safety Law and Emergency Response Law, requiring immediate risk mitigation after disasters. Key Requirements: <ul style="list-style-type: none"> Dewatering and Structural Inspections: Mandated to prevent secondary disasters (e.g., mine collapses or landslides). Provincial Department of Natural Resources (DNR) instructions emphasized compliance with Geological Disaster Prevention Regulations. 	Commenced dewatering and inspections. Status: Completed by December 2024; reports submitted.
October – December 2024	Post-typhoon recovery and re-inspection of existing infrastructure, delaying resumption of upgrade works. Verbal guidance from DNR and Ecological Environment Bureau emphasizing compliance with the 2024 Ministry of Natural Resources Notice "Strengthening Green Mine Construction" (No. 1).	<ul style="list-style-type: none"> Risk Assessment Protocols: Required third-party engineering validation. Enforcement Mechanism: Local Emergency Management Bureaus imposed strict deadlines (completed by December 2024). 	

Date/Period	Key Event/Circumstance	Details of Government Instructions/ Verbal Guidance/Regulatory Requirements	Company's Actions Taken and Latest Status of Fulfillment
January – February 2025	Lunar New Year holiday disruptions, halting works for nearly a month, exacerbating recovery timelines. Supplementary verbal instructions from local regulators requiring specialized certifications for production safety, ecological preservation, and sustainable resource utilization, per the 2024 Mineral Resources Law Revision.	<p>Tailings Management: Upgrades to tailings storage facilities to prevent leakage and dust pollution, aligning with Green Mine Construction standards.</p> <ul style="list-style-type: none"> Employee Training: Mandatory training on emergency response and sustainable resource use, per Green Finance Support Project Catalog (2025). Enforcement: Certifications required before provincial review for license issuance. Initiated tailings facility upgrades, including installation of advanced monitoring systems. 	Certifications under preparation; Resumed operations post-holiday; implemented employee training programs focused on safety and sustainability.
March – Present	Iterative multi-departmental reviews, including new requirements for cross-border ecological corridor assessments and carbon offset obligations. Joint evaluations by DNR, Ecological Environment Bureau, and Emergency Management	<ul style="list-style-type: none"> Cross-Border Ecological Corridor Assessments: Detailed evaluations of transboundary environmental impacts, particularly due to proximity to Myanmar (supplying 57% of China's rare earth imports), per Mineral Resources Law (2024 Revision). Carbon Offset Obligations: integration of carbon reduction technologies (e.g., energy-efficient equipment, carbon capture) and possible CCER credit purchases to meet green mine criteria. Full-Lifecycle Supervision: Real-time monitoring and reporting of ecological and resource recovery metrics. 	Assessments completed by October 2025; 30% fulfilled, with first feedback expected in Q4 2025. Revising license application plans to incorporate cross-border assessment findings.

Date/Period	Key Event/Circumstance	Details of Government Instructions/ Verbal Guidance/Regulatory Requirements	Company's Actions Taken and Latest Status of Fulfillment
April 2025 – Present	Intensive infrastructure planning and capital-intensive preparations amid ongoing review and Ongoing tailings and sustainability compliance.	<p>Resource Recovery Rate Benchmarks: Minimum recovery rates mandated to align with Yunnan Mineral Resources Master Plan (2021–2025).</p> <ul style="list-style-type: none"> • Tailings Management: Installation of automated monitoring systems to prevent environmental contamination. • Enforcement: Ongoing joint oversight by DNR and Ecological Environment Bureau, with full compliance required for license approval. • Advanced infrastructure planning, including power grid upgrades and sustainable water management systems. • Enhanced requirements for sustainable resource utilization, including resource recovery rate benchmarks. 	<p>Engaging experts to optimize tailings management systems and improve resource recovery rates and communication with the local authority.</p> <p>Full fulfillment targeted for Q1 2026, with license issuance expected Q3 2026.</p>

Capital Requirements for Production Commencement

Jiuyuan Mine

The Company estimates that Jiuyuan Mine requires RMB5 million to RMB7 million to fund training programs, compliance documentation, tailings upgrades, ecological assessments, offsets, and revisions necessary for commencing production.

Jinhao Mine

For Jinhao Mine, which is in the pre-application stage, the Company anticipates a total capital requirement of RMB35 million to RMB40 million. This includes RMB10 million to RMB15 million for restoration deposits, RMB5 million for initial infrastructure such as roads and power, compliance certifications, and training programs, as well as RMB20 million for initial mine equipment and factory setup.

The combined capital requirement for both mines is estimated at RMB80 million to RMB100 million, subject to reassessment following a site visit to evaluate the specific needs and conditions of each mine.

Actions taken or to be taken by the Company to secure the required working capital to fulfill the relevant regulatory requirements with expected timeline

1. *Initial resources*

As at the date of this announcement, the Company has funded initial phases (such as dewatering, inspections, and necessary actions) through internal cash reserves reallocated from Property Business rentals and operational cash flow from the Water Business, supplemented by partial receipts from the Refund Package.

2. *Project loans with local financial institutions*

Initial negotiations with a consortium of Chinese financial institutions, commenced in June 2025. These institutions have conducted preliminary due diligence and have expressed in-principle support for the projects' long-term viability. Their final credit approval is inherently and directly contingent upon the satisfactory progression of key regulatory milestones, most notably the progress of Jinhao Mine and Jiuyuan Mine. The lenders perceive the mitigation of the regulatory risks as a critical precondition to securing the debt financing. The Company is actively working to fulfill these conditions. This aligns with global project finance trends where lenders meticulously underwrite regulatory and construction risks before committing capital.

3. *Strategic Investor Partnerships*

As to diversify its capital base and bring in sector-specific expertise, the Company initiated a process to identify strategic equity partners in June 2025. This effort has yielded some interest, and we have now contacted two potential partners.

Partner A: A privately-owned Chinese mining conglomerate with extensive experience in developing and operating similar mineral assets. They offer not only capital but also technical operational expertise.

Partner B: An investment vehicle affiliated with a private equity firm that specializes in natural resources and infrastructure investments in emerging markets, demonstrating a capacity for substantial capital commitment.

Both partners have completed preliminary due diligence. The next critical step will be a comprehensive site visit. Following this engagement, we anticipate advancing to detailed term sheet negotiations concerning the formation of a strategic co-development and co-marketing joint venture after the site visit. This partnership model would see the investor contributing capital, technical expertise, and market access in exchange for a significant role in the joint production and sales operations, rather than a passive minority equity stake. This structure aligns our interests directly with a partner who shares both the operational risk and reward, ensuring a committed, long-term alliance focused on

maximizing project output and commercial success. Such integrated strategic alliances are a proven industry model for de-risking major development projects, as demonstrated by the successful co-production partnerships established by industry leaders.

4. *Government Special-Fund Applications*

Concurrently, the Company is pursuing non-dilutive funding options through various government initiatives designed to support critical mineral development and infrastructure in the region. The application highlights the projects' alignment with regional economic development goals and their potential to create significant local employment.

Reasonableness and feasibility of the expected timeline

The Board has meticulously assessed the reasonableness and feasibility of the expected timeline of starting commercial production of Jiuyuan Mine in last quarter of 2026 and Jinhao Mine in second half of 2026, the information shown in Appendix A and Appendix B, the Jiuyuan Mine license expiration on 25 July 2026, and the Company's mitigation strategies. This assessment is grounded in the following detailed bases.

1. *Progress on Key Milestones and Regulatory Compliance*

As outlined in Appendix A and Appendix B, critical processes (e.g., tailings certification and ecological assessments for Jiuyuan; restoration plans and prepaid funds for Jinhao) are advancing.

For Jiuyuan Mine, license renewal applications can be initiated 6 months prior (i.e. January 2026), and the Company's demonstrated compliance (e.g., post-typhoon recoveries) supports seamless renewal, avoiding operational interruptions, as preliminarily consulted by PRC legal advisor.

2. *Mitigation of Historical Delays*

The impacts from Typhoon Yagi (September 2024), Lunar New Year (early 2025), and regulatory evolutions (early 2025) have been substantially addressed through proactive submissions, minimizing further extensions. There are buffers of 2–3 months are built into the timeline for potential revisions, based on historical approval cycles in similar Yunnan projects (e.g., 6–9 months for green mine certifications per industry benchmarks).

3. *Funding and Resource Sufficiency*

The Board projects adequacy from diversified sources: internal cash (e.g., Property and Water Business inflows), government funds, loans and partnerships. This enables infrastructure completion by mid-2026, with contingencies for accelerated drawdowns.

4. *Market Readiness*

Rising global nonferrous metal demand (4–6% CAGR per Bloomberg and Shanghai Futures Exchange data) supports ramp-up feasibility.

5. *Risk Management and Contingencies*

Scenario planning with overall monitoring by the management in charge ensures alignment with the timetable.

The Board thus views the expected timeline as reasonable and feasible, reflecting substantiated progress, conservative assumptions, and alignment with the license expiration. The Board also expects to conduct a site visit of both mines to re-access the opportunities including the timetable and the funding in late Q3 2025.

SUPPLEMENTAL INFORMATION OF THE STATUS OF THE SETTLEMENT OF THE TOTAL CONSIDERATION OF THE DISPOSAL

The Company also wishes to further provide supplemental information about the status of the settlement of the remaining Total Consideration. The original payment terms of the Total Consideration were (i) RMB1,500,000 within 14 days after signing the SPA (i.e. Deposit) and (ii) full settlement of the remaining Total Consideration within 18 months after the condition precedents had been satisfied according to the sales and purchase agreement entered between the buyer (i.e. Mao Yuzhen (“**Ms. Mao**”) (the “**Buyer**”), and the vendor (i.e. Century Strong Limited) (the “**Vendor**”) (the “**SPA**”). The SPA was supplemented by a supplemental sales and purchase agreement (the “**Supplemental SPA**”) entered between the Buyer and the Vendor on 14 February 2025 that the payment terms is revised with payment schedule as below:

- RMB1,500,000 within 14 days after signing the SPA (i.e. Deposit).
- RMB1,000,000 on or before 21 February 2025 (i.e. Further Deposit).
- Remaining Total Consideration on or before 31 December 2025 (or other date mutually agreed in writing by the Buyer/Vendor (the “**Completion Date**”).

Reasons for the delay of the remaining Total Consideration

The delay in the remaining Total Consideration is primarily attributable to the buyer’s (Ms. Mao Yuzhen) liquidity constraints, which have been exacerbated by the persistent slowdown in the PRC property market throughout 2025. As a seasoned property developer with a focus on residential and commercial projects in China, Ms. Mao has faced significant challenges in generating sufficient cash flows from property sales and refinancing activities amid the broader economic headwinds. Specifically, the PRC property sector experienced a marked deceleration in 2025 and residential property sales declining by approximately 2.43% year-on-year in the first quarter of 2025.

To safeguard the interests of the Company and its shareholders, the Company have taken the following actions: (a) retention of PRC legal counsel specializing in commercial disputes to monitor compliance and prepare enforcement options; and (b) regular communications with Ms. Mao to track her liquidity improvement.

According to the SPA, if the Buyer failed to complete the transaction on the Completion Date, the Vendor may (without prejudice to any other rights it may have under law or this Agreement):

- (i) apply to the court for specific performance; or
- (ii) terminate this Agreement, forfeit the deposit paid by the Buyer, and recover from the Buyer all economic losses incurred by the Vendor due to such breach.

Therefore, the Company may take actions (a) take initiation of arbitration proceedings under the China International Economic and Trade Arbitration Commission if the outstanding tranches remain unpaid by December 2025; or (b) terminate the SPA and absorb the deposit paid by the Buyer.

The Board would like to stress that the transaction is not yet completed. The target company, i.e. Century Strong Limited, is still a wholly-owned subsidiary of the Company.

Board assessment on the Buyer's ability to fulfill the payment obligations

In February 2025, the Board had assessed the credit risk associated with the Consideration as moderate of receiving the full outstanding amount from Ms. Mao by the end of 2025.

This assessment was grounded in a structured analysis aligned with the People's Bank of China's credit risk guidelines and international standards, such as those from the Basel Committee, tailored to the PRC's economic conditions in 2025, where property sales have declined by approximately 2.43% year-on-year in Q1 2025 and new home prices have fallen at the fastest pace in eight months as of June 2025.

The moderate risk rating and cautious outlook reflect Ms. Mao's limited payment history, the challenging economic environment, and the absence of additional secured assets beyond the transaction's collateral, balanced against her operational strengths in non-property sectors.

The detailed bases for this assessment are as follows:

1. Buyer's Profile and Financial Strength

Ms. Mao has controlled companies managing a 3,360,000 square meter freshwater aquaculture base in Yan Cheng City, Jiang Su Province (江蘇省鹽城市) and a 28,000 square meter commercial building materials decoration city also in Yan Cheng City, Jiang Su Province with a preliminary assessment of its conservative value at RMB180

million. The operations in aquaculture and trading, which are less impacted by the property sector's, provide a foundation for potential repayment. However, the Board notes that converting these cash flows into liquid funds sufficient for the RMB147.5 million obligation may be constrained by market liquidity challenges.

2. *Payment History and Demonstrated Intent*

The Buyer has paid only RMB2.5 million of the initial two tranches, representing just 1.67% of the total Consideration. This minimal payment significantly elevates credit risk, as it suggests liquidity constraints despite her operational cash flow. A recent communication reaffirms her intent to settle the balance by end-2025, citing plans to liquidate assets in her aquaculture and trading businesses. While these sectors are relatively insulated from the property downturn (with vacancy rates of 15–20% impacting real estate), there is uncertainties in Ms. Mao's ability to quickly monetize assets in a sluggish economic environment.

3. *Market and Economic Context*

The PRC property market's challenges, including oversupply, weak demand, and tightened lending under the "three red lines" policy, have strained liquidity across related sectors. However, Ms. Mao's aquaculture and building materials businesses benefit from steady domestic and export demand, with aquaculture exports projected to remain stable in 2025. Policy measures, such as relaxed purchase restrictions and urban renewal expansions, show early signs of stabilizing the broader economy by end-2025, potentially improving Ms. Mao's access to liquidity. Nevertheless, the Board remains cautious, factoring in ongoing deflationary pressures and a projected 5% further decline in home prices, which could indirectly affect her ability to raise funds.

The Board's moderate risk rating reflects the uncertainty posed by Ms. Mao's limited payment history and the broader economic challenges, tempered by her profitable operations in resilient sectors, despite Ms. Mao's financial strength.

COMPANY'S EXPERTISE FOR THE BUSINESS OPERATION

On 8 August 2025, the Retiring Directors retired from their respective directorship and were not re-elected at the AGM with effect from the conclusion of the AGM. The Board consists of two executive Directors, namely Mr. Li Xiaoming ("**Mr. Li**") and Mr. Chan Wai Fung ("**Mr. Chan**"), and two independent non-executive directors as at the date of this announcement.

The Company maintains sufficient expertise through a combination of Board oversight, dedicated operational teams, and professional advisors.

For the Property Business, oversight is provided by Mr. Li Xiaoming, who possesses over 25 years of experience in property development and investment in the People's Republic of China, as disclosed in the annual report. This is supported by a dedicated team with an average of five years' experience in leasing, sales, and management.

For the Water Business, Mr. Li Xiaoming has overseen operations prior to the commencement of commercial production at the water factory and possesses sufficient knowledge and experience to fulfill an oversight role. Daily operations are managed by the head of water business operations, who has comprehensive expertise in the bottled water sector, including e-commerce and business-to-business activities. This is further supported by a local team with backgrounds in supply chain and production management.

For the Mining Business, the Group is exerting its best endeavors to identify a suitable candidate for appointment as a director with adequate expertise in mining operations. The Company has shortlisted several highly qualified candidates, each with over 10 years of experience in managing mining businesses in China. The appointed candidate will oversee the management of the mining business and be responsible for its strategic direction. Further announcements regarding the appointment of such a director will be made by the Company as and when appropriate. In addition, Mr. Chan holds the qualification of Chartered Surveyor (MRICS) and possesses professional knowledge that enables him to contribute across the mining lifecycle, bridging technical expertise with business strategy, and providing assessments of risks and environmental impacts.

Furthermore, Mr. Li Yuguo and Mr. Huang Yilin, two retired directors of the Company with professional experience in managing mining businesses, have agreed to remain with the Group as interim advisors for the business management of the mining operations during the transition period. This arrangement is in place while the Group proceeds with appointing a suitable new director and engaging external consultants and advisors to facilitate the resumption of production at the mines.

The Board is of the view that the retirement of the directors has negligible impact on the expected timeline, as the retiring directors held primarily oversight roles rather than hands-on operational positions in mining. Key responsibilities for the routine work related to the resumption of mine production remain with the local team without disruption.

Further announcements will be made by the Company in relation to the business development as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in shares of the Company.

By order of the Board
Zhong Jia Guo Xin Holdings Company Limited
Chan Wai Fung
Executive Director & chief executive officer

Hong Kong, 11 September 2025

As at the date of this announcement, the Board consists of two executive Directors, Mr. Li Xiaoming and Mr. Chan Wai Fung; and two independent non-executive Directors, Dr. Liang Jinxiang and Mr. Wong Chun Peng Stewart.