CARLYON

CARLYON CAPITAL LIMITED

*To: the Independent Board Committee and the Independent Shareholders of*
*Superland Group Holdings Limited*

Dear Sir and Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY
OCTAL CAPITAL LIMITED AND GET NICE SECURITIES
LIMITED FOR AND ON BEHALF OF
GRAND JUNCTION INTELLIGENCE CO., LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
SUPERLAND GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY
GRAND JUNCTION INTELLIGENCE CO.,
LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)

## INTRODUCTION

We refer to our appointment as the Independent Financial Advisers to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer, details of which are set out in the "Letter from the Board" of this composite document to the Independent Shareholders dated 24 September 2026 (the "Composite Document"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

On 27 July 2026 (after trading hours), the Offeror and STFV (as purchasers) entered into the Sale and Purchase Agreement with the Selling Shareholder (as vendor) for the acquisition of 600,000,000 Shares in aggregate, comprising (i) acquisition of 440,000,000 Shares by the Offeror (representing 55.00% of the total issued share capital of the Company as at the Latest Practicable Date); and (ii) acquisition of 160,000,000 Shares by STFV (representing 20.00% of the total issued share capital of the Company as at Latest Practicable Date). The total consideration for the Sale Shares is HK$225,000,000, equivalent to HK$0.375 per Sale Share.

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Unit E, 22/F, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong

Immediately following Completion and as at Latest Practicable Date, the Offeror and its ultimate beneficial owner and the parties acting in concert with it hold in aggregate 600,000,000 Shares (comprising 440,000,000 Shares held by the Offeror and 160,000,000 Shares held by STFV), representing 75.0% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it (including STFV)).

## THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all of the two non-executive Directors (namely, Mr. Louie Dicky and Ms. Ho Nga Ling) and all of the three independent non-executive Directors (namely, Mr. Yip Kit Chau, Mr. Law Hung Wai, CPA and Dr. Ho Ka Yan), has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Offer.

## OUR INDEPENDENCE

We, Carlyon Capital Limited ("Carlyon"), have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in this respect and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of Carlyon as the Independent Financial Adviser has been approved by the Independent Board Committee. Our role as the Independent Financial Adviser is to give our recommendation to the Independent Board Committee as to (i) whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Offer should be accepted.

We are independent from and not connected with the Company, the Offeror, STFV, the Selling Shareholder, any of their respective ultimate beneficial owner or substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Offer, there were no other engagements between Carlyon and the Group or the Offeror or STFV. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror, STFV and the Company, or any of their respective ultimate beneficial owner or substantial shareholders, or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Offer.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders regarding the terms of the Offer, we have reviewed, among other things, (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group (the ''Management''); (ii) the Company's annual reports for the years ended 31 December 2025 (''2025 Annual Report'') and 31 December 2024 (''2024 Annual Report'') and the Company's interim result announcement for the six months ended 30 June 2026 (''2026 Interim Result Announcement''); and (iii) our review of the relevant public information. We have assumed that all information, representations, opinions and statements provided or expressed to us, or contained or referred to in this Composite Document, are true, accurate and complete in all material respects as at the respective dates they were made and remain true, accurate and complete in all material respects up to the Latest Practicable Date.

The Company will notify the Independent Shareholders of any material changes to information contained or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Independent Shareholders will also be informed as soon as possible when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and throughout the Offer Period pursuant to Rule 9.1 of the Takeovers Code.

We further assume that all statements of belief, opinions and intentions of the Directors and the Management as set out or referenced in this Composite Document have been reasonably formed after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided by the Directors and the Management, and have obtained confirmation from the Directors that no material facts have been withheld or omitted from the information contained in or referred to this Composite Document, and that all such information and representations are not misleading in all material respects throughout the relevant period up to the Latest Practicable Date.

We consider that we have obtained and reviewed sufficient relevant information to form an informed professional view on the Offer, and have no grounds to believe any material information has been omitted, withheld or misrepresented by the Company, the Directors, the Management or the Offeror. Save as expressly stated herein, we have not conducted any independent verification or carried out any independent investigation of the business, financial condition, affairs or operations of the Group, the Offeror or any of their respective subsidiaries, controlled entities, joint ventures or associates, and we rely entirely on the accuracy and completeness of the information and representations provided by the relevant parties.

We confirm that we have discharged our advisory duties with full impartiality and independence. The Directors jointly and severally accept full responsibility for the accuracy and completeness of the information contained in this Composite Document, and confirm that all opinions stated herein have been formed after due and careful consideration, with no material omissions that would render any statements in this Composite Document misleading.

We have not considered and do not express any view on the tax and regulatory implications for the Independent Shareholders arising from their acceptance or non-acceptance of the Offer, as such implications are entirely dependent on each individual shareholder's personal circumstances. In particular, Independent Shareholders who are non-Hong Kong residents or otherwise subject to overseas taxation, as well as those liable for Hong Kong taxation in connection with securities dealings, are recommended to independently assess their respective tax positions in relation to the Offer. Shareholders with any uncertainty or doubt regarding their tax or regulatory position are strongly advised to consult their own professional advisers.

This letter is issued solely for the reference of the Independent Board Committee and the Independent Shareholders in connection with their consideration and evaluation of the Offer. Save for its inclusion in this Composite Document, no part of this letter may be quoted, referenced or reproduced for any other purpose whatsoever without our prior express written consent.

## PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation in respect of the Offer, we have taken into consideration the following principal reasons and factors:

### 1. Background of the Offer

On 27 July 2026 (after trading hours), the Offeror and STFV (as purchasers) entered into the Sale and Purchase Agreement with the Selling Shareholder (as vendor) for the acquisition of 600,000,000 Shares in aggregate, comprising (i) acquisition of 440,000,000 Shares by the Offeror (representing 55.00% of the total issued share capital of the Company as at the Latest Practicable Date); and (ii) acquisition of 160,000,000 Shares by STFV (representing 20.00% of the total issued share capital of the Company as at the Latest Practicable Date). The total consideration for the Sale Shares is HK$225,000,000, equivalent to HK$0.375 per Sale Share.

### 2. Information about the Company and the Group

The Company is a company incorporated in the Cayman Islands on 11 July 2019 as an exempted company with limited liability and its Shares have been listed on the Stock Exchange since 17 July 2020. The Group principally engaged in the provision of fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong.

*2.1 Financial performance*

Below is a summary of the Group's audited financial performance for the three years ended 31 December 2023 ("FY2023"), 2024 ("FY2024") and 2025 ("FY2025"), as extracted from the 2025 Annual Report and the 2024 Annual Report; unaudited financial performance for the six months ended 30 June 2026 ("Interim 2026") and six months ended 30 June 2025 ("Interim 2025"), as extracted from the 2026 Interim Result Announcement:

| | FY2025 *(HK$'000's)* | FY2024 *(HK$'000's)* | FY2023 *(HK$'000's)* |
|---|---|---|---|
| Revenue | 900,832 | 902,316 | 1,008,101 |
| — Fitting-out services | 896,392 | 901,709 | 1,005,607 |
| — Repair and maintenance services | 4,440 | 607 | 2,494 |
| Cost of services | (783,257) | (781,377) | (878,536) |
| Gross profit | 117,575 | 120,939 | 129,565 |
| Profit and total comprehensive income for the year attributable to owners of the Company | 22,273 | 18,884 | 22,168 |
| Earnings per share attributable to the owners of the Company — Basic & Diluted *(HK cents)* | 2.78 | 2.36 | 2.77 |

*FY2025 as compared to FY2024*

The Group reported total revenue of approximately HK$900.8 million for FY2025, representing a slight decrease of approximately HK$1.5 million (or approximately 0.2%) from approximately HK$902.3 million recorded in FY2024. Revenue is split between fitting-out services and repair and maintenance services. Fitting-out service revenue reduced from approximately HK$901.7 million for FY2024 to approximately HK$896.4 million for FY2025, while repair and maintenance service revenue grew from approximately HK$0.6 million for FY2024 to approximately HK$4.4 million for FY2025. The marginal year-on-year revenue decline was mainly attributable to mild downward adjustment in overall construction and fitting-out project scale amid competitive Hong Kong building and fitting-out market conditions. As advised by the Management, intensified tender competition in the local fitting sector restricted the scale of new awarded fitting-out projects during FY2025. The year-on-year decline in fitting-out revenue was partially offset by a rise in repair and maintenance service orders, which lifted the corresponding segment revenue.

The Group's cost of services increased by approximately 0.2% from approximately HK$781.4 million for FY2024 to approximately HK$783.3 million for FY2025. Gross profit decreased by approximately 2.8% from approximately HK$120.9 million for FY2024 to approximately HK$117.6

million for FY2025, with gross profit margin falling from approximately 13.4% for FY2024 to approximately 13.1% for FY2025. As advised by the Management, such reduction in gross profit and gross profit margin was mainly attributable to two factors: (i) intense tender competition for Hong Kong fitting-out, renovation and maintenance projects, which compressed tender margins for newly secured contracts; and (ii) moderate increases in on-site labour and material operation costs during FY2025. The dual pressure of thinner tender pricing and higher direct operating costs dragged down the gross profit level generated from completed works recognised in FY2025.

Profit and total comprehensive income attributable to owners of the Company increased by approximately 17.9% from approximately HK$18.9 million for FY2024 to approximately HK$22.3 million for FY2025, and basic and diluted earnings per share attributable to owners of the Company rose from approximately 2.36 HK cents for FY2024 to approximately 2.78 HK cents for FY2025. Such growth in bottom-line profit was mainly attributable to multiple offsetting positive items that buffered the slight decline in gross profit, including (i) the Group implemented overhead streamlining measures during FY2025, which brought down annual administrative expenses; (ii) the Group strengthened its client credit review process, leading to a reduction in impairment provisions set aside for overdue trade receivables and contract assets; and (iii) the Group recorded higher miscellaneous operating gains in FY2025 mainly arising from net changes in surrender values of insurance contract investments held by the Group.

*FY2024 as compared to FY2023*

The Group recorded total revenue of approximately HK$902.3 million in FY2024, representing approximately 10.5% year-on-year decrease of approximately HK$105.8 million from approximately HK$1,008.1 million in FY2023. The overall revenue shrinkage stemmed from softened market demand for Hong Kong fitting-out works. As stated by the Management, local private property developers slowed down new tender awards throughout FY2024, cutting the volume of finished and certified works eligible for revenue recognition. Both core fitting-out and small-scale maintenance businesses recorded lower turnover in the year.

The Group's cost of services stood at approximately HK$781.4 million for FY2024, decreased approximately HK$97.2 million or approximately 11.1% compared to the approximately HK$878.5 million for FY2023. Gross profit declined by approximately 6.7% year-on-year, from approximately HK$129.6 million for FY2023 to approximately HK$120.9 million for FY2024. Gross profit margin improved from approximately 12.9% in FY2023 to approximately 13.4% in FY2024. The uptick in gross profit margin came from changes to the Group's project mix. As advised by the Management, the Group selectively pursued higher-margin tender opportunities during FY2024, and a larger share of these high-profit projects were completed and recognised within the financial year. While total direct costs shrank in line with smaller overall project scale, the shift towards more profitable contracts lifted the full-year gross margin ratio.

Profit and total comprehensive income attributable to owners of the Company fell approximately 14.8% year-on-year from approximately HK$22.2 million for FY2023 to approximately HK$18.9 million for FY2024. Basic earnings and diluted earnings per share attributable to owners of the Company decreased from approximately 2.77 HK cents for FY2023 to approximately 2.36 HK cents for FY2024, and net profit margin declined from approximately 2.2% for FY2023 to approximately 2.1% for FY2024. The lower bottom line was a combined result of several counterbalancing items: (i) gross profit reduced alongside the contraction in annual project revenue; (ii) total finance costs rose from approximately HK$31.4 million in FY2023 to approximately HK$35.4 million in FY2024, as the Group maintained higher borrowing levels to fund ongoing project working capital needs; (iii) cost control on administrative overheads and lower impairment provisions for receivables provided partial offsets, yet these positive impacts were insufficient to fully absorb the pressure from weaker gross profit and increased financing expenses.

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | *(HK$'000's)* | *(HK$'000's)* |
| | (Unaudited) | (Unaudited) |
| Revenue | 439,790 | 450,905 |
| — Fitting-out services | 420,044 | 448,267 |
| — Repair and maintenance services | 19,746 | 2,638 |
| Cost of services | (389,123) | (399,529) |
| Gross profit | 50,667 | 51,376 |
| Profit attributable to owners of the Company | 9,875 | 4,239 |
| Earnings per share — Basic & Diluted *(HK cents)* | 1.23 | 0.53 |

*Interim 2026 as compared to Interim 2025*

The Group reported total revenue of approximately HK$439.8 million for Interim 2026, representing a decrease of approximately HK$11.1 million (or approximately 2.5%) from approximately HK$450.9 million recorded in Interim 2025. Revenue is split between fitting-out services and repair and maintenance services. Fitting-out service revenue reduced from approximately HK$448.3 million for Interim 2025 to approximately HK$420.0 million for Interim 2026, while repair and maintenance service revenue grew from approximately HK$2.6 million for Interim 2025 to approximately HK$19.7 million for Interim 2026. The year-on-year revenue decrease was mainly attributable to lower revenue recognised from fitting-out projects, offset by an increase in repair and maintenance service orders. As advised by the Management, fewer large-scale interior fitting-out projects were awarded during the interim period.

The Group's cost of services decreased by approximately 2.6% from approximately HK$399.5 million for Interim 2025 to approximately HK$389.1 million for Interim 2026. Gross profit decreased by approximately 1.4% from approximately HK$51.4 million for Interim 2025 to approximately HK$50.7 million for Interim 2026. Gross profit margin was approximately 11.5% for Interim 2026, compared with approximately 11.4% for Interim 2025. The change in revenue mix towards repair and maintenance services offset margin pressure from fitting-out contracts. Profit attributable to owners of the Company increased by approximately 133.0% from approximately HK$4.2 million for Interim 2025 to approximately HK$9.9 million for Interim 2026, and basic and diluted earnings per share attributable to owners of the Company rose from approximately 0.53 HK cents for Interim 2025 to approximately 1.23 HK cents for Interim 2026 Such growth in net profit was mainly attributable to an one-off gain on disposal of subsidiaries of approximately HK$6.2 million during the Interim 2026.

2.2 *Financial position of the Group*

Below is a summary of the Group's audited consolidated financial position as at 31 December 2025, 31 December 2024 and 31 December 2023, extracted from the 2025 Annual Report and the 2024 Annual Report and unaudited consolidated financial position as at 30 June 2026 extracted from the 2026 Interim Result Announcement:

| Item | As at 30 June 2026 *(HK$'000's)* (Unaudited) | As at 31 December 2025 *(HK$'000's)* | 2024 *(HK$'000's)* | 2023 *(HK$'000's)* |
|---|---|---|---|---|
| Non-current assets | 122,641 | 124,237 | 127,709 | 94,457 |
| Current assets | 926,786 | 883,571 | 937,713 | 775,865 |
| Total assets | 1,049,427 | 1,007,808 | 1,065,422 | 870,322 |
| Non-current liabilities | 5,667 | 8,184 | 17,962 | 213 |
| Current liabilities | 804,936 | 770,675 | 827,424 | 668,957 |
| Total liabilities | 810,603 | 778,859 | 845,386 | 669,170 |
| Net assets | 238,824 | 228,949 | 220,036 | 201,152 |

As illustrated above, the Group's non-current assets increased by approximately HK$33.3 million or approximately 35.2% from approximately HK$94.5 million as at 31 December 2023 to approximately HK$127.7 million as at 31 December 2024, mainly attributable to the increase in investments in insurance contracts, other long-term deposits and right-of-use assets held by the Group. The Group's non-current assets subsequently decreased by approximately HK$3.5 million or approximately 2.7% to approximately HK$124.2 million as at 31 December 2025, which was mainly driven by the reduction in right-of-use assets upon lease expiry and amortisation of relevant balances.

The Group's current assets increased by approximately HK$161.8 million or approximately 20.9% from approximately HK$775.9 million as at 31 December 2023 to approximately HK$937.7 million as at 31 December 2024, mainly due to higher contract assets recognised from ongoing fitting-out projects and growth in other operating deposits. The Group's current assets then decreased by approximately HK$54.1 million or approximately 5.8% to approximately HK$883.6 million as at 31 December 2025, which was mainly driven by the reduction in trade receivables, contract assets and cash and cash equivalents collected for settled projects, partly offset by the rise in other receivables and prepayments. The decline in trade receivables was attributable to (i) full collection of outstanding customer payments for completed and certified fitting-out projects; (ii) strengthened credit collection procedures that accelerated cash recovery from maturing invoices; and (iii) slight contraction in annual fitting-out revenue limiting new credit sales generated during the year. The decrease in contract assets was attributable to the issuance of progress billings in respect of ongoing fitting-out projects during the year, upon which contract assets were reclassified to trade receivables and subsequently settled through customer payments.

The Group's non-current assets decreased by approximately HK$1.6 million or approximately 1.3% from approximately HK$124.2 million as at 31 December 2025 to approximately HK$122.6 million as at 30 June 2026 mainly driven by the reduction in right-of-use assets upon lease expiry and amortisation of relevant balances. The Group's current assets increased by approximately HK$43.2 million or approximately 4.9% from approximately HK$883.6 million as at 31 December 2025 to approximately HK$926.8 million as at 30 June 2026, mainly driven by increase in contract assets arising from fitting-out project activities for the interim period and partially off set by decrease in trade receivable as a result of cash received, such combined effect exposed the Group to collection risks associated with project-related receivable.

*2.3 Gearing, Contract assets and cash flow management*

As at 31 December 2023, the Group's total interest-bearing borrowings amounted to approximately HK$438.0 million, net assets amounted to approximately HK$201.2 million, and the gearing ratio ((Total interest bearing borrowings/Total net asset) * 100%) was approximately 217.7%. As at 31 December 2024, the Group's total interest-bearing borrowings amounted to approximately HK$477.4 million, net assets amounted to approximately HK$220.0 million, and the gearing ratio was approximately 217.0%. As at 31 December 2025, total interest-bearing borrowings increased to approximately HK$501.9 million, net assets increased to approximately HK$228.9 million, and the gearing ratio rose to approximately 219.2%. The increase in gearing ratio indicates deterioration in the Group's leverage structure and carries latent financial risks. The increase in borrowings arose from continuous drawdown of short-term working capital loans to settle labour and material payments for fitting-out projects. The increase in net assets was solely derived from retained profit generated in FY2025, with no new equity capital injected to reduce leverage. Higher borrowings generate fixed finance charges each reporting period. As at 30 June 2026, total interest bearing borrowings decrease to approximately HK$484.0 million, net assets increased to approximately HK$238.8 million, such gearing ratio decreased slightly to approximately 202.6% as at 30 June 2026 which was mainly attributable to the combined effect of the increase in contract assets of approximately HK$60.8 million the recognition methodology of which is discussed below, and the decrease in interest bearing borrowings of approximately HK$17.9 million due to repayment of loan.

As advised by the Management, and discussed in the section headed "2.5 Business Outlook" below, the market condition that the Group operating in is challenging with (i) increased tender competition and labour cost which reduces profit margins of awarded projects; and (ii) fewer forecast completion unit/floor area in private office and residential building, being the major market of the Group, in 2026 and 2027 according to Hong Kong Property Review 2026 issued by Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region which will likely increase the difficulty of the Group to obtain projects or to maintain number and scale of project on hand.

It is also worth to mention that the Group's current asset as at 31 December 2025 of approximately HK$883.6 million mainly consisted of contract asset of approximately HK$592.4 million, trade receivable of approximately HK$128.7 million, other receivable, deposits and prepayment of approximately HK$110.0 million and cash and cash equivalents of approximately HK$44.7 million. The total interest-bearing borrowings of approximately HK$501.9 million as at 31 December 2025 represented approximately 11.2 times of the then cash and cash equivalents balance. Similar composition was also noted as at 30 June 2026, which the Group's current asset was approximately HK$926.8 million, consisting of contract asset of approximately HK$653.2 million, trade receivable of approximately HK$125.4 million, other receivable, deposits and prepayment of approximately HK$107.8 million and cash and cash equivalents of approximately HK$33.0 million. The total interest-bearing borrowings of approximately HK$484.0 million as at 30 June 2026 represented approximately 14.7 times of the then cash and cash equivalents balance, which indicate a higher risk on the ability of the Group to timely repay its borrowings.

While the Group was in net current asset position, in view of the challenging market outlook as mentioned above, as discussed with the Management, the Group may face risk of longer trade receivable turnover days, as well as adjustment to the contract asset. In particular, as advised by the Management, contract asset represents (i) unbilled revenue, which also include variable order which the project owner has not certified; and (ii) retention receivables which are settled in accordance with the terms of the respective contracts subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. Such contract asset may or may not be subject to discount as a result of the certification process of the project owner.

As discussed with the Directors of the Group, the Group's revenue recognition involved management judgement on the percentage of completion of the on going project on hand. Also, during the course of business of the Group, it is common to have variable order which refers to any change in design or instruction from project owner. The Group will first estimate the cost of the variable order, and book the relevant revenue with reference to the management judgement of the percentage of completion of the project and the estimated cost which will be subject to certification by the project owner at the completion of the project when a final account is prepared. Such process is lengthy and sometimes, the project owner may not agree with the estimated cost suggested by the Group, which result in a discount or total disregard on the estimated cost, and in turn, the revenue recognised in previous year or period. Given the aforementioned methodology, we considered that the revenue recognition of the Group may involve certain level of management judgement, and pending the certification of the project owners, which may result in a subsequent year's adjustment. It is also noted that the Group's revenue declined year-on-year across FY2023 to FY2025, and recorded a thin profit margin ranging from approximately 2.1% to approximately 2.5% during FY2023 to FY2025. Given the Group's contract asset of approximately HK$592.4 million as at 31 December 2025 and approximately HK$653.2 million as at 30 June 2026 are significant compared to the net profit of approximately HK$22.3 million for FY2025 and approximately HK$9.9 million for Interim 2026, for illustration purpose only, 1% downward adjustment to the contract asset as at 30 June 2026 by the project owner at the final account stage will result in a negative profit and loss effect of approximately HK$6.5 million to the then financial year of the Group which will have significant impact to the Group's financial performance.

Further, we noted that the Group's net cash generated from operating activities for FY2025 was approximately HK$14.1 million, which was significantly lower than the net cash used in financing activities of approximately HK$25.8 million for the corresponding period. This indicated the strained cash flow management of the Group.

Having considered the above, in particular (i) although the Group recorded net profit and net current asset position for FY2024 and FY2025, the composition of the net current asset, namely contract assets, may subject to adjustment in the certification process, and the cash flow condition of the Group, is strained; and (ii) market is challenging in the near future as discussed in the section headed "2.5 Business Outlook", we consider that the Group's financial position is challenging in FY2025, with higher leverage, weaker operating cash generation and reduced liquidity buffer, and the Group may face difficulty settling current liabilities if operating cash flow continues to decline. In particular, the Group's total interest bearing borrowings of approximately HK$501.9 million as at 31 December 2025 and approximately HK$484.0 million as at 30 June 2026 represented approximately 11.2 times and 14.7 times of the then cash and cash equivalents balance, any slight changes in the cash recovering cycle, finance cost or debt renewal procedure will result in significant risk in the Group's fragile cash flow chain.

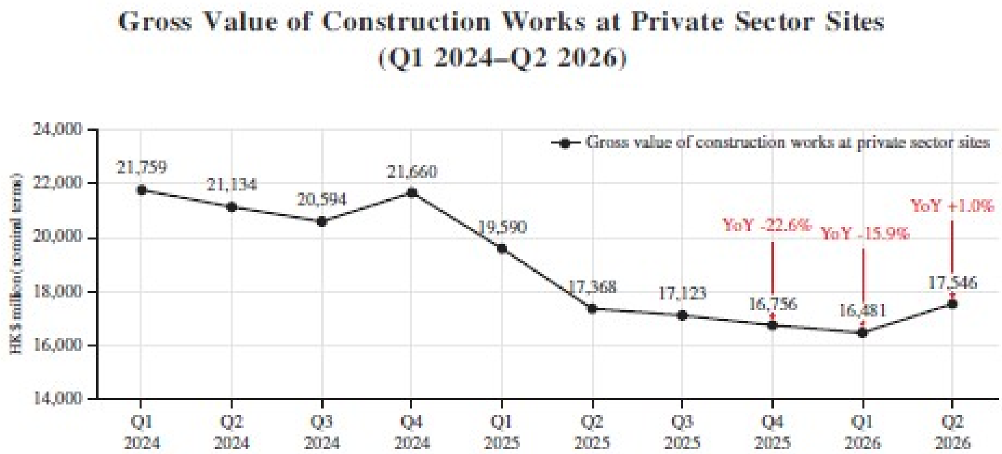
*2.4 Dividend*

We noted that the declaration and payment of dividends of the Company are determined at the sole discretion of the Board. The Company's ability to distribute dividends depends on, among others, the Group's profits, operating results, cash flows, financial condition and capital requirements, contractual restrictions applicable to the Group, other factors the Directors consider relevant, and the interests of the shareholders.

For the financial year ended 31 December 2023, no interim or final dividend was declared by the Board. The Board recommended a final dividend of HK1.67 cents per share in respect of the financial year ended 31 December 2024, which was approved by shareholders and subsequently paid. No interim or final dividend was proposed for the financial year ended 31 December 2025.

Notwithstanding the Group has retained earnings available for distribution, as dividend declaration rests within the sole discretion of the Board, there is no assurance that the Company will declare and pay any dividends in future periods.

*2.5 Business Outlook*



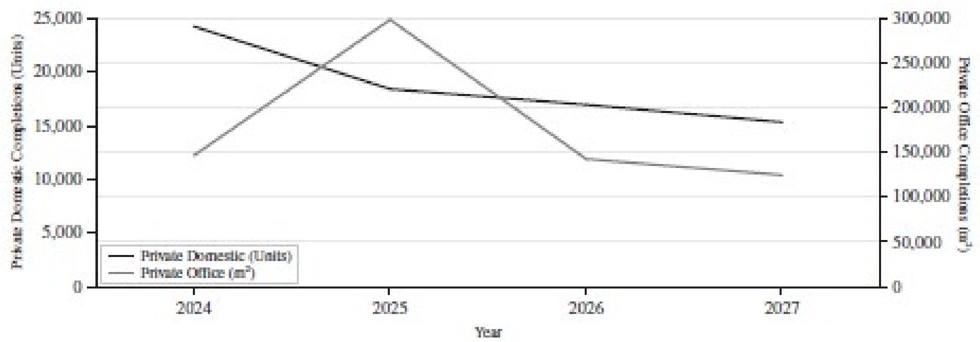

*Source: Quarterly Survey of Construction Output, Census and Statistics Department, HKSAR Government*

*Note:* Figures for Q4 2025 and Q1 2026 are revised figures. Figures for Q2 2026 are provisional figures

| Quarter | GVCW at private sector sites *(HK$ million)* | YoY change |
|---|---|---|
| Q1 2024 | 21,759 | +20.7% |
| Q2 2024 | 21,134 | −3.5% |
| Q3 2024 | 20,594 | −7.6% |
| Q4 2024 | 21,660 | −6.9% |
| Q1 2025 | 19,590 | −10.0% |
| Q2 2025 | 17,368 | −17.8% |
| Q3 2025 | 17,123 | −16.9% |
| Q4 2025 | 16,756 | −22.6% |
| Q1 2026 | 16,481 | −15.9% |
| Q2 2026 | 17,546 | +1.0% |

According to Census and Statistics Department ("C&SD") of the Government of Hong Kong (source: https://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1090002&scode=330), gross value of construction works at private sector sites for the fourth quarter of 2025 decreased by approximately 22.6% year-on-year. For the first quarter of 2026, private sector construction output dropped by approximately 15.9% year-on-year. The decline has lasted for multiple consecutive quarters. Such data reflects sustained contraction in private construction demand. Although the provisional figure for the second quarter of 2026 recorded a marginal year-on-year increase of approximately 1.0%, the aggregate output for the first half of 2026 still represented a decline of approximately 7.9% compared with the same period in 2025, and the absolute level of private sector construction output in the second quarter of 2026 remained approximately 17.0% below that of the second quarter of 2024, indicating that any recovery in private construction demand remains fragile and the sector has yet to emerge from a prolonged downturn.

**Private Domestic & Private Office Completions (2024–2027)**




*Source: Hong Kong Property Review 2026, Rating and Valuation Department (RVD)*

*Note:* 2026 & 2027 figures are projected data; domestic = units, office = gross floor area ($m^2$)

| Year | Private Domestic Completion *(Units)* | Private Office Completion *($m^2$)* |
|---|---|---|
| 2024 | 24,276 | 147,000 |
| 2025 | 18,450 | 299,000 |
| 2026 | 16,980 | 143,000 |
| 2027 | 15,360 | 125,000 |

With reference to Hong Kong Property Review 2026 published by the Rating and Valuation Department ("RVD") of the Government of Hong Kong (source: https://www.rvd.gov.hk/doc/tc/hkpr26/HKPR2026_Fullbook_TC.pdf), private domestic completions fell to 18,450 units in 2025, representing a 24% drop compared with 2024. Completion volume is projected to further reduce to 16,980 units in 2026 and 15,360 units in 2027. While private office completions recorded an increased from approximately 147,000 $m^2$ in 2024 to approximately 299,000 $m^2$ in 2025, it is projected to reduce to approximately 143,000 $m^2$ in 2026, and further decreased to approximately 125,000 $m^2$ in 2027. Structural shrinkage of new private housing and office supply cuts long-term sources of fitting-out tender orders.

| Year | Skilled Labour Shortfall *(Workers, midpoint)* | Onsite Labour Cost Index *(2023=100)* |
|---|---|---|
| 2026 | 12,500 | 112 |
| 2027 | 21,000 | 118 |
| 2028 | 29,000 | 124 |
| 2029 | 38,000 | 131 |
| 2030 | 47,500 | 138 |

We also reviewed manpower research published by the Construction Industry Council ("CIC") of the Government of Hong Kong in April 2026 (source: https://www.cic.hk/en/search?keyword=Manpower%20Forecast%20for%20Hong%20Kong%20Construction%20Industry%2C%20April%202026). The CIC manpower forecast indicated labour shortages across Hong Kong's construction trades for the next five years, with skilled technician supply shortfalls ranging from 10,000 to 15,000 workers in 2026, expanding to 45,000 to 50,000 workers by 2030. The Government retained a total quota ceiling of 12,000 under the Construction Labour Importation Scheme to ease manpower constraints, yet labour and onsite wage costs have recorded upward adjustments since 2023. Material price volatility remains an industry cost pressure point. Continuous rise of labour and material input costs narrows the profit margin space of all fitting-out contracts.

In summary, the existing HK$5.314 billion aggregate backlog of fitting-out projects secured by the Group as at 31 December 2025 only provides near-term revenue visibility. However, this level of support may not be sustainable in light of the current softening in the Hong Kong property market and the broader weakening of local economic conditions. The overall industry outlook faces sustained downward pressure driven by multiple structural negative factors: (i) structural decline of new private housing supply; (ii) continuous shrinkage of market tender volume; (iii) intensified tender competition, persistent labour and material cost upward pressure; and (iv) extended client payment cycles. The Group's future revenue and profitability performance will be subject to the volume of tenders awarded, finalised gross margins of awarded contracts, and timely collection of trade receivables and certified contract assets. There is no assurance that the Group can secure sufficient new fitting-out contracts in subsequent financial years to sustain its current annual revenue scale. Downside risks to revenue and profit, and in turn the impact on the cash flow chain of the Group will remain prominent over the medium term.

3. Information of the Offeror and the Offeror's intention on the Group

*3.1 Information of the Offeror*

The Offeror is a company incorporated in the BVI with limited liability as an investment holding company. As at the Latest Practicable Date, the Offeror is directly wholly owned by Grown Long X (a company incorporated in the BVI with limited liability) which is in turn directly wholly owned by Mr. WT Pang. The sole director of the Offeror is Mr. YT Pang, brother of Mr. WT Pang.

Mr. WT Pang is the sole ultimate beneficial owner of the Offeror. Mr. WT Pang has over 10 years of experience in corporate management and private equity investment. Mr. WT Pang is currently a controlling shareholder of Grand Junction Semiconductor Pte. Ltd., an international semiconductor solution provider company headquartered in Singapore with R&D centers and manufacturing facilities in the PRC. Mr. WT Pang is also a substantial shareholder of Chengdu Tianfu Zhihua Technology Limited Company*, a leading full-stack physics AI agent supplier, providing solutions spanning from algorithms to hardware for sectors including autonomous driving, robotics, and low-altitude economy. Mr. YT Pang and Mr. WT Pang do not have any direct experience in the Group's principal business. However, as disclosed in the paragraph headed "Proposed Changes in the Composition of the Board", one of the existing executive Directors or senior management will be responsible for managing the operation of the principal business of the Group.

Both Mr. WT Pang and Mr. YT Pang are optimistic on the business prospects of the Company and consider that the Acquisition could achieve long-term growth and returns, and aim to capture new development opportunities of the Group through strategic investments, driving synergistic growth and achieve mutual value creation across both their capital and the Group's core business.

The Offeror, its ultimate beneficial owner, and its sole director are Independent Third Parties prior to Completion.

Immediately before Completion, none of the Offeror, its ultimate beneficial owner, its sole director and the parties acting in concert with any of them held any Shares. Immediately after the Completion and as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner, its sole director and the parties acting in concert with any of them held any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for (i) the 440,000,000 Sale Shares which the Offeror held; and (ii) the 160,000,000 Sale Shares which STFV held.

*3.2 Information of STFV*

STFV is an investment holding company incorporated in the BVI with limited liability on 17 November 2020. As at the Latest Practicable Date, STFV is legally and beneficially wholly owned by Ms. Li.

Ms. Li has over 5 years of experience in equity and fund investment in listed companies mainly in Hong Kong through STFV since 2020. Immediately before Completion, Ms. Li did not hold any direct or indirect interest in Shares. Ms. Li has no relevant experience in the Company's current principal business.

Ms. Li is optimistic on the business prospects of the Company and considers that the Acquisition could diversify her investment portfolio to achieve long-term growth and returns.

Save for being a party acting in concert with the Offeror under the Acquisition which involved the acquisition of the Sale Shares by the Offeror and STFV (which is legally and beneficially wholly owned by Ms. Li), Ms. Li does not have any relationship with the Offeror and/or its ultimate beneficial owner.

*3.3 Intention of the Offeror regarding the Group*

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business.

Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group. As at the Latest Practicable Date, the Offeror has no intention, understanding, negotiation or arrangement to downsize, cease or dispose of any of the existing business of the Group.

As at the Latest Practicable Date, the Board comprises two executive Directors, two non-executive Directors and three independent non-executive Directors. It is intended that all existing Directors will resign from the Board with effect from a date no earlier than that permitted under the Listing Rules and the Takeovers Code (i.e. after the publication of the closing announcement on the Closing Date), save for one existing executive Director will remain on the Board or a member of the existing senior management of the Group will be appointed to the Board, as the case may be. The said executive Director and the existing management have extensive experience in managing the operation of the existing business of the Group. The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not yet identified any suitable candidates for appointment as directors of the Board.

As at the Latest Practicable Date, the Offeror has not reached any final decision as to (i) the new Director(s) to be nominated; and (ii) the final composition of the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and further announcement(s) will be made in this regard in accordance with the Listing Rules as and when appropriate. Save for the Offeror's intention regarding the Group set out above, the Offeror has no intention to make material changes to the employment of the employees of the Group.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Stock Exchange has stated that:

(a) if, at the close of the Offer, the Stock Exchange believes that:

  (i) a false market exists or may exist in the trading of the Shares; or

  (ii) an orderly market does not exist or may not exist,

  the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares; and

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall, then:

(i) the Stock Exchange will add a designated marker to the stock name of the Shares; and

(ii) the Stock Exchange will cancel the listing of the Shares if the Company fails to recomply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. the director of the Offeror and the new Director(s) (if any) to be appointed to the Board will jointly and severally undertake to the Stock Exchange that if, at the close of the offer, the Company fails to comply with the requirement of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B at the earliest possible moment.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offer in accordance with Rule 13.33 of the Listing Rules. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to the Independent Third Parties or in the market. Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Offer Share outstanding and not acquired under the Offer after the Closing Date.

Taking into account that (i) the Offeror has no relevant experience in the Company's current principal business, suggesting that the Offeror may not be able to bring positive influence to the business of the Group; (ii) without relevant experience, the Offeror may also take time to familiar with the relevant counter parties and process, in particular the process for trade receivable recovering and certification of contract asset of the Group which is crucial to the cash flow management of the Group, any delay in the aforementioned process may have significant impact to the operation of the Group; and (iii) the Offeror has yet to provide any plan regarding the long-term strategy for the future development of the Group or for improving the Group's business operation and financial condition, we consider that the Offeror's long-term strategy to the Group is unclear and the prospect of the Group is uncertain as at the Latest Practicable Date.

4. The Offer

The Offer Price of HK$0.375 per Offer Share represents:

(i) a discount of approximately 89.11% to the closing price of HK$3.445 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 79.17% to the closing price of HK$1.800 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e., 27 July 2026);

(iii) a discount of approximately 80.77% to the average closing price of HK$1.950 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

(iv) a discount of approximately 80.59% to the average closing price of HK$1.932 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;

(v) a discount of approximately 83.61% to the average closing price of approximately HK$2.288 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;

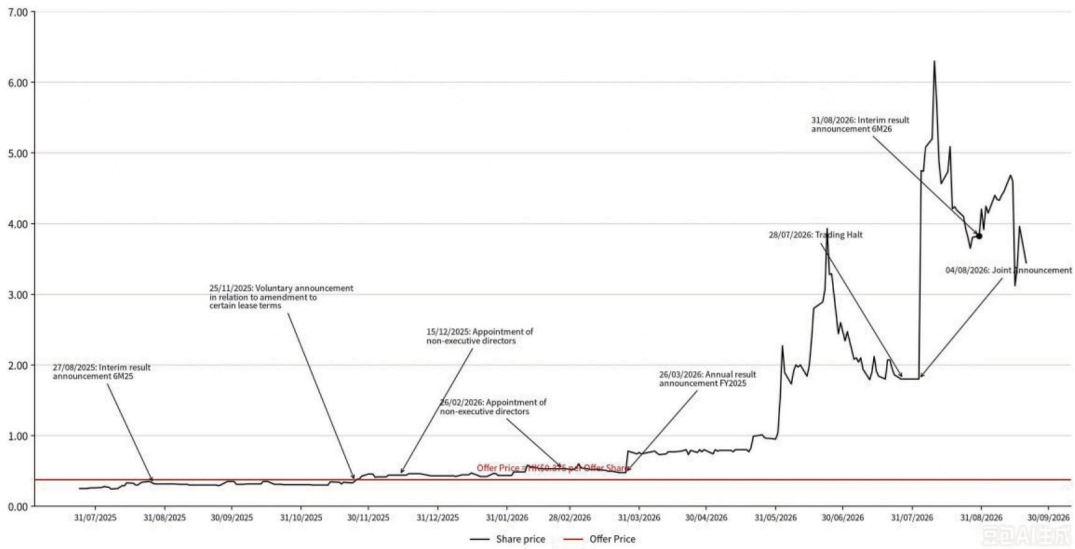
(vi) a premium of approximately 31.12% over the audited consolidated net assets per Share of approximately HK$0.286 as at 31 December 2025, which was calculated based on the audited consolidated net asset value attributable to owners of the Company of approximately HK$228,949,000 as at 31 December 2025 (the date on which the latest audited financial results of the Group were made up) and 800,000,000 Shares in issue as at the Latest Practicable Date; and

(vii) a premium of approximately 25.42% over the unaudited consolidated net assets per Share of approximately HK$0.299 as at 30 June 2026, which was calculated based on the unaudited consolidated net asset value attributable to owners of the Company of approximately HK$238,824,000 as at 30 June 2026 (the date on which the latest unaudited financial results of the Group were made up) and 800,000,000 Shares in issue as at the Latest Practicable Date.

5. Trading performance of the Shares

*5.1 Historical Share price performance*

Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange for the period from (a) 25 July 2025 up to the Last Trading Day, being approximately one year preceding the Last Trading Day; and (b) the Last Trading Day up to the Latest Practicable Date (the "Review Period"). We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.




*Source: the website of the Stock Exchange*

As shown on the chart, the closing prices of the Shares traded in the range of HK$0.243 to HK$0.355 during the period from 25 July 2025 to 25 November 2025. The lowest closing price of HK$0.243 was recorded on 8 August 2025, while the highest closing price of HK$0.355 was recorded on 25 November 2025. Starting from 26 November 2025 up to the Latest Practicable Date, the closing prices of the Shares traded in the range of HK$0.385 to HK$6.300 which were above the Offer Price of HK$0.375.

Based on our review of the Company's announcements published on the website of the Stock Exchange, during the Review Period, we noted that the Company published certain announcements, namely (i) interim result announcement on 27 August 2025; (ii) voluntary announcement in relation to amendment to certain lease terms on 21 November 2025; (iii) appointment of non-executive directors on 15 December 2025 and 26 February 2026, respectively; (iv) annual result announcement on 26 March 2026; (v) joint announcement on 4 August 2026 and (vi) interim result announcement on 31 August 2026. We have made enquires with the Directors and were advised that, save for the publication of announcements of the Company as described above, the Directors were not aware of any specific reasons that may have an impact on the fluctuation in the closing prices of the Shares, in particular, the fluctuation from December 2025 to the Last Trading Day.

Trading of the Shares was halted from 28 July 2026. Following the publication of the Joint Announcement on 4 August 2026, the Share price surged and remained above the Offer Price as at the Latest Practicable Date. The Share price closed at HK$3.445 as at the Latest Practicable Date, to which the Offer Price represents a discount of approximately 89.11%.

The Offer Price has been determined in accordance with the requirements of the Takeovers Code and reflects at least the highest purchase price paid by the Offeror and parties acting in concert with it for the Shares in the relevant period, thereby ensuring equal treatment of the Shareholders under the regulatory framework. In forming our view on fairness and reasonableness of the Offer Price, we have placed greater emphasis on (a) the Company's underlying fundamentals such as its high gearing, strained cash flow condition, discount factor in relation to the contract asset and outlook as mentioned in the sections above in this letter; (b) the challenging market outlook which will put the Group's fragile cash flow chain further in risk; (c) the historical trading volume of the Shares; (d) the risks and uncertainties associated with the change in controlling Shareholder; and (e) the Group's current-liabilities-to current-assets ratio of approximately 86.9% as at 30 June 2026 indicates a relatively vulnerable liquidity position, particularly for a property fitting-out business. Although the Offer Price is below the closing prices of the Shares since 25 November 2025 and represents a discount of approximately 79.17% and 89.11% to the closing price of the Shares on the Last Trading Day and the Latest Practicable Date, respectively, after considering that (a) although the Group recorded net profit and net current asset position for FY2024, FY2025 and Interim 2026, the composition of the net current asset, namely contract assets, may subject to adjustment in the certification process, and the cash flow condition of the Group is strained; (b) the trading volume of the Shares remained low during the Review Period as further discussed below; and (c) the outlook and prospect of the Group remain uncertain as discussed above, the closing price of the Shares might not fairly reflect the true value of the Shares.

### *5.2 Liquidity of the Shares*

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

| Month | No. of trading days | Average daily trading volume ("Average Volume" Shares) *(Note 1)* | % of the Average Volume to total number of Shares held by the public *(Note 2)* | % of the Average Volume to total number of Shares in issue *(Note 3)* |
|---|---|---|---|---|
| 2025 | | | | |
| July | 22 | 23,091 | 0.0115% | 0.0029% |
| August | 21 | 48,381 | 0.0242% | 0.0060% |
| September | 22 | 11,091 | 0.0055% | 0.0014% |
| October | 20 | 5,400 | 0.0027% | 0.0007% |
| November | 20 | 25,400 | 0.0127% | 0.0032% |
| December | 21 | 47,619 | 0.0238% | 0.0060% |
| 2026 | | | | |
| January | 21 | 37,714 | 0.0189% | 0.0047% |
| February | 17 | 84,471 | 0.0422% | 0.0106% |
| March | 22 | 195,000 | 0.0975% | 0.0244% |
| April | 19 | 230,105 | 0.1151% | 0.0288% |
| May | 19 | 472,000 | 0.2360% | 0.0590% |
| June | 21 | 1,935,833 | 0.9679% | 0.2420% |
| July | 18 | 909,333 | 0.4547% | 0.1137% |
| August | 19 | 3,304,937 | 1.6525% | 0.4131% |
| September (up to and including 21 September, the being Latest Practicable Date) | 15 | 1,819,573 | 0.9098% | 0.2274% |

*Source: the Stock Exchange's website*

*Notes:*

1. Calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period.

2. Calculated by dividing the average daily trading volumes of the Shares by the total number of Shares held by the public at the end of each month or as at the Latest Practicable Date, where applicable.

3. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares at the end of each month or as at the Latest Practicable Date, where applicable.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period. The average daily trading volume for the respective month during the Review Period ranged from approximately 5,400 Shares in October 2025 to approximately 3,304,937 Shares in August 2026, representing approximately 0.0007% to 0.4131% of the total number of the Shares in issue and approximately 0.0027% to 1.6525% of the total number of the Shares held by the public, respectively.

Based on our review of the Company's announcements published on the website of the Stock Exchange, during the Review Period, we noted that the Company published certain announcements, namely (i) interim result announcement on 27 August 2025; (ii) voluntary announcement in relation to amendment to certain lease terms on 21 November 2025; (iii) appointment of non-executive directors on 15 December 2025 and 26 February 2026, respectively; (iv) annual result announcement on 26 March 2026; (v) joint announcement on 4 August 2026 and (vi) interim result announcement on 31 August 2026. We have made enquires with the Directors and were advised that, save for the publication of announcements of the Company as described above, the Directors were not aware of any specific reasons that may have an impact on the exceptionally high trading volume of the Shares in June 2026. We have made further enquires with the Directors and were advised that save for the publication of announcements of the Company as described above, the Directors were not aware of any specific reasons that may have an impact on the exceptionally high trading volume of the Shares from July up to and including 21 September, being Latest Practicable Date.

Following the publication of the Joint Announcement and the resumption of trading of the Shares on 5 August 2026, the average daily trading volume increased to approximately 2,649,629 Shares for the period from 5 August 2026 to the Latest Practicable Date, representing approximately 0.33% of the total number of the Shares in issue and approximately 1.32% of the total number of the Shares held by the public. The enhanced liquidity observed in the Shares may be due to the announcement of the Offer, which may not be sustainable during or after the Offer Period.

Given the historical thin liquidity of the Shares, it may be difficult for the Independent Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive through the disposal of their Shares in the open market and therefore, the Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price of HK$0.375 per Offer Share.

6. Comparisons with market comparables

The Group is an established contractor based in Hong Kong Special Administrative Region of the People's Republic of China with over 22 years of operating history providing fitting-out services and repair and maintenance services with the qualifications as a registered electrical contractor, registered subcontractor and registered minor works contractor to residential and commercial properties in Hong Kong.

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of companies (the "Comparable Companies") which are (i) principally engaged in the provision of fitting-out services and repair and maintenance services in Hong Kong;
(ii) publicly listed on the Stock Exchange; and (iii) with market capitalisation in the range from HK$100 million to HK$500 million as at the Latest Practicable Date. We have attempted to search on the website of the Stock Exchange for companies with principally activities same as the Group, however, we cannot identify any such companies. As such, we lowered the threshold of the principal activity with such activity contributing at least 50% of the Comparable Companies' total revenue in their last financial year, which we consider this parameter to be reasonable. The basis for adopting market capitalisation in the range from HK$100 million to HK$500 million as a threshold for identifying the Comparable Companies is that such range is approximately two-thirds lower and above the Company's implied market capitalisation of HK$300 million based on the Offer Price, which we consider this parameter to be reasonable. Based on the aforesaid criteria, we

have identified an exhaustive list of 4 Comparable Companies. The following table set out the details of the Comparable Companies and comparison on price-to-earnings ratio ("P/E Ratio"), price-to-sales ratio ("P/S Ratio") and price-to-book ratio ("P/B Ratio"):

| Stock Code | Company Name | Principal Business Activities (% of revenue from such principal activities in its latest financial year) | Market capitalisation *(HK$ million)* | Latest full-year revenue *(HK$ million)* | Net Profit/ (Net Loss) *(HK$000)* | Latest consolidated net assets/ (net liabilities) *(HK$ million)* | P/E Ratio *(times)* | P/S Ratio *(times)* | P/B Ratio *(times)* |
|---|---|---|---|---|---|---|---|---|---|
| 1615.HK *(Note 6)* | AB Builders Group Limited | Interior fitting-out, minor works and RMAA subcontracts in Hong Kong and Macau (95%) | 246.0 | 264.9 | 2,152.4 | 191.5 | 114.29 | 0.93 | 1.28 |
| 1547.HK | IBI Group Holdings Limited | Provision of renovation services as a main contractor for property projects (98.1%) | 185.6 | 593.0 | 17,822.0 | 182.3 | 10.41 | 0.31 | 1.02 |
| 8501.HK | Sanbase Corporation Limited | Provision of interior fit-out solutions in Hong Kong (80%) | 188.0 | 344.7 | (13,025.0) | 110.9 | N/A *(Note 5)* | 0.55 | 1.70 |
| 8360.HK | Basic House New Life Group Limited | Provision of integration of interior design, fit out solutions and repair and maintenance services in Hong Kong (96.6%) | 115.9 | 79.4 | (31,663.0) | (50.3) | N/A *(Note 5)* | 1.46 | N/A *(Note 7)* |
| | | | | | | Maximum: | 114.29 | 1.46 | 1.70 |
| | | | | | | Minimum: | 10.41 | 0.31 | 1.02 |
| | | | | | | Average: | 62.35 | 0.81 | 1.33 |
| | | | | | | Median: | 62.35 | 0.74 | 1.28 |
| 0368.HK | Superland Group Holdings Limited (the Group) | | 300.0 *(Note 1)* | 900.8 | 22,273.0 | 238.9 | 13.47 *(Note 2)* | 0.33 *(Note 3)* | 1.26 *(Note 4)* |

*Source: Financial reports of the Comparable Companies*

*Notes:*

1. Being the market capitalization of the Company implied by the Offer Price

2. Being the P/E Ratio of the Company as implied by the Offer Price (the "Implied P/E Ratio"), based on the Offer Price multiplied by the number of Shares in issue of the Company on the Last Trading Day, and then dividing it by consolidated profit attribute to the shareholders for FY2025

3. Being the P/S Ratio of the Company as implied by the Offer Price (the "Implied P/S Ratio"), based on the Offer Price multiplied by the number of Shares in issue of the Company on the Last Trading Day, and then dividing it by the revenue for FY2025

4. Being the P/B Ratio of the Company as implied by the Offer Price (the "Implied P/B Ratio"), based on the Offer Price multiplied by the number of Shares in issue of the Company on the Last Trading Day, and then dividing it by the net assets as at 30 June 2026

5. "N/A" as these Comparable Companies recorded consolidated loss attributable to the shareholders in their latest published financial year, and thus the calculation of the P/E Ratio is not applicable. These companies have not been taken into consideration in calculating the average and median P/E Ratio of the Comparable Companies

6. The financial results of AB Builders are presented in Macao Patacas (MOP). Macau Pataca amounts into Hong Kong Dollars are made at the rate of MOP1.00 = HK$0.97

7 "N/A" as these Comparable Company recorded consolidated net liabilities in their latest published financial year, and thus the calculation of the P/B Ratio is not applicable. This company have not been taken into consideration in calculating the average and median P/B Ratio of the Comparable Companies

As shown in the table above, the P/S Ratios of the four Comparable Companies range from approximately 0.31 times to 1.46 times with a median and mean of approximately 0.74 times and 0.81 times, respectively. The Implied P/S Ratios of approximately 0.33 times is (i) within the range of P/S Ratios of the Comparable Companies; and (ii) lower than the mean and median of the P/S Ratios of the Comparable Companies.

As shown in the table above, the P/E Ratios of the four Comparable Companies range from approximately 10.41 times to 114.29 times with a median and mean of approximately 62.35 times and 62.35 times, respectively. The Implied P/E Ratios of approximately 13.47 times is within the range of P/E Ratios of the Comparable Companies. Two of the four Comparable Companies recorded net losses, and their P/E Ratios are unavailable.

Although the Implied P/B Ratio of approximately 1.26 times is below the upper end of the P/B Ratios of the Comparable Companies, the businesses of the Group and the Comparable Companies are asset-light operations. In particular, plant and equipment of the Group was approximately HK$3.2 million as at 30 June 2026, representing only approximately 0.3% of the Group's total assets as at 30 June 2026. Accordingly, we consider that the P/B Ratio may not be an appropriate metric to evaluate the underlying value of the Group.

Given there are only two comparable companies with P/E ratio available and one of which appears to be an outlier, we consider the use of P/E ratio may not be appropriate to evaluate the Offer. The Implied P/S Ratio by the Offer are within the range of the Comparable Companies, but below the average and median of the Comparable Companies. Although the Implied P/S Ratio is below the average and median of the Comparable Companies, having consider (i) the thin profit margin of approximately 2.1% to 2.5% during FY2023 to FY2025, and approximately 2.2% during Interim 2026 with the revenue recognition methodology involving management judgement; (ii) the Group's contract asset of approximately HK$592.4 million as at 31 December 2025 and approximately HK$653.2 million as at 30 June 2026 , which is significant compared to the net profit of approximately HK$22.3 million for FY2025 and approximately HK$9.9 million for Interim 2026, for illustration purpose only, 1% downward adjustment to the contract asset as at 30 June 2026 by the project owner at the final account stage will result in a negative profit and loss effect of approximately HK$6.5 million to the then financial year of the Group which will have significant impact to the Group's financial performance; and (iii) the Group's total interest bearing borrowings of approximately HK$501.9 million as at 31 December 2025 and approximately HK$484.0 million as at 30 June 2026 represented approximately 11.2 times and 14.7 times of the then cash and cash equivalents balance, any slight changes in the cash recovering cycle, finance cost or debt renewal procedure will result in significant risk in the Group's fragile cash flow chain, we are of the view that the Offer Price of HK$0.375 per Offer Share is fair and reasonable, after taking into account the above principal factors and reasons as a whole.

## RECOMMENDATION

Although the Offer Price is below the closing prices of the Shares since 26 November 2025 and represents a discount of approximately 79.17% and 89.11% to the closing price of the Shares on the Last Trading Day and the Latest Practicable Date, respectively, after considering that:

(1) the Group's revenue declined year-on year across FY2023 to FY2025 with a thin profit margin ranging from approximately 2.1% to approximately 2.5%;

(2) the Group's gearing ratio and cash flow condition were deteriorating, as demonstrated by cash used in financing activities significantly exceeding cash generated from operating activities for FY2025;

(3) the Group's total interest bearing borrowings of approximately HK$501.9 million as at 31 December 2025 and approximately HK$484.0 million as at 30 June 2026 represented approximately 11.2 times and 14.7 times of the then cash and cash equivalents balance;

(4) the challenging market outlook in terms of reduction in forecast completion in both private domestic unit and floor area of private office, and in turn reduction in overall tender in the market;

(5) the challenging market outlook may also result in difficulties in the certification process of contract asset of the Group and result in more strained cash flow condition and challenges to the fragile cash flow chain, and potential discount to the value of the contract asset, and in turn the net asset value of the Group;

(6) the increase in labour and material cost which further reduce the profit margin of the Group;

(7) the Group's historical profitability, revenue stability and the HK$5 billion backlog do not necessarily reflect its forward outlook. The weakening property sector and tightening credit conditions in Hong Kong have collectively dampened property-related investment sentiment and slowed fitting-out activity. Against this backdrop, the Company's thin margin of approximately 2.5% for FY2025 may not provide sufficient resilience to withstand the deteriorating operating environment;

(8) taking into account that (i) the Offeror has no relevant experience in the Company's current principal business, suggesting that the Offeror may not be able to bring positive influence to the business of the Group; (ii) without relevant experience, the Offeror may also take time to familiar with the relevant counter parties and process, in particular the process for trade receivable recovering and certification of contract asset of the Group which is crucial to the cash flow management of the Group, any

delay in the aforementioned process may have significant impact to the operation of the Group and risk to the fragile cash flow chain; and (iii) the Offeror has yet to provide any plan regarding the long-term strategy for the future development of the Group or for improving the Group's business operation and financial condition, we consider that the Offeror's long-term strategy to the Group is unclear and the prospect of the Group is uncertain as at the Latest Practicable Date;

(9) the Offer Price represents a premium of approximately 31.12% and approximately 25.42% over the audited consolidated net assets per Share of approximately HK$0.286 as at 31 December 2025 and approximately HK$0.299 as at 30 June 2026, respectively;

(10) given the historical thin liquidity of the Shares, it may be difficult for the Independent Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price. Accordingly, the Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price; and

(11) Although the Implied P/S Ratio is below the average and median of the Comparable Companies, having consider (i) the thin profit margin of approximately 2.1% to 2.5% during FY2023 to FY2025, and approximately 2.2% during Interim 2026 with the revenue recognition methodology involving management judgement; (ii) the Group's contract asset of approximately HK$592.4 million as at 31 December 2025 and approximately HK$653.2 million as at 30 June 2026 , which is significant compared to the net profit of approximately HK$22.3 million for FY2025 and approximately HK$9.9 million for Interim 2026, for illustration purpose only, 1% downward adjustment to the contract asset as at 30 June 2026 by the project owner at the final account stage will result in a negative profit and loss effect of approximately HK$6.5 million to the then financial year of the Group which will have significant impact to the Group's financial performance; and (iii) the Group's total interest bearing borrowings of approximately HK$501.9 million as at 31 December 2025 and approximately HK$484.0 million as at 30 June 2026 represented approximately 11.2 times and 14.7 times of the then cash and cash equivalents balance, any slight changes in the cash recovering cycle, finance cost or debt renewal procedure will result in significant risk in the Group's fragile cash flow chain, we are of the view that the Offer Price of HK$0.375 per Offer Share is fair and reasonable, after taking into account the above principal factors and reasons as a whole.

We recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to accept the Offer.

The Independent Shareholders, in particular those who intend to accept the Offer, are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, especially that the disposal of large blocks of Shares held by the Independent Shareholders in the open market may trigger price slump of the Shares as a result of the thin trading of the Shares.

We also note that the Shares have been trading substantively above the Offer Price during the Review Period. The Independent Shareholders, other than those who hold large block of Shares, having regard to their own circumstances, in particular their purchase cost of the Shares, could consider selling their Shares in the open market instead of accepting the Offer if the net proceeds from the ultimate sale of such Shares would be higher than that receivable under the Offer.

Yours faithfully,
For and on behalf of
Carlyon Capital Limited
Kaiser Wan
*Managing Director*

*Mr. Kaiser Wan is a licensed person and a responsible officer of Carlyon Capital Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 14 years of experience in the corporate finance industry.*