

15 October 2026

To: The independent board committee of Fineland Living Services Group Limited

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY ALTUS
INVESTMENTS LIMITED FOR AND ON BEHALF OF THE OFFEROR
FOR ALL THE ISSUED SHARES OF THE COMPANY (OTHER THAN
THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE
OFFEROR AND THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the Composite Document dated 15 October 2026 issued by the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

With reference to the letter from the Board (the “Board Letter”) contained in the Composite Document, the Board was notified by the Offeror that on 7 July 2026 (after trading hours), the Offeror and, among others, the Sellers entered into the Share Purchase Agreement in relation to the sale and purchase of the Sale Shares. Subject to the terms and conditions of the Share Purchase Agreement, the Sellers conditionally agreed to sell and the Offeror conditionally agreed to acquire the Sale Shares, being a total of 200,044,000 Shares, representing approximately 50.01% of the total issued Shares as at the date of the Share Purchase Agreement. The total consideration for the Sale Shares under the Share Purchase Agreement is HK\$28,006,160, being HK\$0.14 per Sale Share.

On 8 October 2026, all conditions precedent under the Share Purchase Agreement were satisfied. Acquisition Completion took place on 8 October 2026.

With reference to the Board Letter, immediately before the Acquisition Completion, the Offeror and the Offeror Concert Parties were interested in a total of 13,600,000 Shares, representing 3.40% of the total issued Shares. Immediately after the Acquisition Completion, the Offeror became interested in a total of 200,044,000 Shares, representing approximately 50.01% of the total issued Shares, while the Offeror and the Offeror Concert Parties became interested in a total of 213,644,000 Shares, representing approximately 53.41% of the total issued Shares. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties).

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Tian Qiusheng, Mr. Leung Wai Hung and Mr. Du Chenhua, has been established to make a recommendation to the Independent Shareholders in relation to the Offer, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. We, Gram Capital Limited, have been appointed 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 Gram Capital Limited as the Independent Financial Adviser has been approved by the Independent Board Committee.

INDEPENDENCE

During the past two years immediately preceding the date of the Joint Announcement (i.e. 28 July 2026) up to and including the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the Company's connected transaction and special deal, details of which are set out in the Company's circular dated 10 September 2026 (the "September Circular").

Notwithstanding the aforesaid engagement, During the past two years immediately preceding the date of the Joint Announcement (i.e. 28 July 2026) up to and including the Latest Practicable Date, there was no relationship, connection or interests between Gram Capital and (i) the Company, the Sellers, the Offeror and the Offeror Concert Parties; and (ii) any directors, subsidiaries, holding companies or substantial shareholders of the Company, the Sellers, the Offeror and the Offeror Concert Parties, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of Gram Capital's advice and to act as the Independent Financial Adviser to the Independent Board Committee; and Gram Capital was not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, the Sellers, the Offeror or the Offeror Concert Parties.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code existed as at the Latest Practicable Date; and (ii) the aforesaid engagement will not affect our independence to act as

the Independent Financial Adviser due to the fact that we were appointed as independent financial adviser to advise the then independent board committee and the independent shareholders of the Company and such engagement did not fall into any circumstances as set out under the Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers, the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Offer. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules and Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the section headed "5. RESPONSIBILITY STATEMENT" of Appendix III to the Composite Document and the section headed "1. RESPONSIBILITY STATEMENT" of Appendix IV to the Composite Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Offer. The Company has been separately advised by its own professional advisers with respect to the Offer and the preparation of the Composite Document (other than this letter).

We have assumed that the Offer will be consummated in accordance with the terms and conditions set forth in the Composite Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the

Offer, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. Shareholders will be notified of any material changes to the information and representations provided and made to us and the information contained in this letter after the Latest Practicable Date as soon as possible pursuant to Rule 9.1 of the Takeovers Code.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

(1) Background and terms of the Offer

With reference to the section headed “Letter from Altus Investments — THE OFFER”, Altus Investments, for and on behalf of the Offeror, is making the Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

For each Offer Share..... HK\$0.14 in cash

The Offer Price of HK\$0.14 per Offer Share is equal to the consideration of HK\$0.14 per Sale Share under the Share Purchase Agreement, which was determined after taking into account, among others, the Company’s confirmation of no intention to declare, make or pay any dividends and/or other distribution and/or other return of capital before the close, lapse, withdrawal or termination of the Offer (whichever is earlier). The Offer Price is no less than the highest price paid by the Offeror and the Offeror Concert Party(ies) during the Relevant Period.

Further details of the Offer are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance.

(2) Information on the Group

With reference to the Board Letter, the Group is principally engaged in the provision of professional property management services and value-added services for residential and non-residential properties in the PRC.

Financial information

Set out below are the Group's consolidated financial information for the two years ended 31 December 2025 and the six months ended 30 June 2026 (together with comparative figures), as extracted from the Company's annual report for the year ended 31 December 2025 (the "2025 Annual Report") and the Company's interim report for the six months ended 30 June 2026 (the "2026 Interim Report"):

	For the six months ended 30 June 2026 ("1H2026") RMB'000 (<i>unaudited</i>)	For the six months ended 30 June 2025 ("1H2025") RMB'000 (<i>unaudited</i>)	Year on year change %	For the year ended 31 December 2025 ("FY2025") RMB'000 (<i>audited</i>)	For the year ended 31 December 2024 ("FY2024") RMB'000 (<i>audited</i>)	Year on year change %
Revenue	160,912	168,431	(4.46)	350,756	369,101	(4.97)
— Real estate agency services	Nil	692	(100.00)	719	6,753	(89.35)
— Property management services	160,912	167,739	(4.07)	350,037	362,348	(3.40)
Gross profit	33,293	33,431	(0.41)	59,497	59,266	0.39
Profit/(loss) for the year/period	5,010	(6,520)	N/A	(71,461)	(79,325)	(9.91)
Profit/(loss) attributable to owners of the Company	8,391	(5,999)	N/A	(52,480)	(76,931)	(31.78)
	As at 30 June 2026 RMB'000 (<i>unaudited</i>)	As at 31 December 2025 RMB'000 (<i>audited</i>)	As at 31 December 2024 RMB'000 (<i>audited</i>)	Change from 31 December 2025 to 30 June 2026 %	Change from 31 December 2024 to 31 December 2025 %	
Total assets	298,058	299,948	366,742	(0.63)	(18.21)	
— Intangible assets	37,418	40,189	57,621	(6.89)	(30.25)	
— Trade receivables	70,519	76,772	83,956	(8.14)	(8.56)	
— Related party receivables	22,512	26,974	39,786	(16.54)	(32.20)	
— Deposits, prepayments and other receivables	68,654	51,823	57,847	32.48	(10.41)	
— Bank balances and cash	64,278	69,175	64,765	(7.08)	6.81	
— Other assets	34,677	35,015	62,767	(0.97)	(44.21)	

		As at	As at	Change from	Change from
	As at	31 December	31 December	31 December	31 December
	30 June 2026	2025	2024	2025 to	2024 to
	RMB'000	RMB'000	RMB'000	30 June	31 December
	(unaudited)	(audited)	(audited)	2026	2025
				%	%
Total liabilities	287,554	293,555	281,018	(2.04)	4.46
— Trade payables	70,159	74,162	74,466	(5.40)	(0.41)
— Contract liabilities	61,462	75,504	52,978	(18.60)	42.52
— Accruals and other payables	131,156	130,045	131,321	0.85	(0.97)
— Tax payable	8,419	2,675	11,690	214.73	(77.12)
— Other liabilities	16,358	11,169	10,563	46.46	5.74
Net current liabilities	(49,377)	(61,425)	(28,015)	(19.61)	119.26
Equity attributable to owners of the Company	(11,782)	(20,493)	34,055	(42.51)	N/A

As depicted from the above table, the Group's revenue for FY2025 decreased by approximately 4.97% as compared to that for FY2024. With reference to the 2025 Annual Report, such decrease was primarily attributable to decrease in revenue generated from property management services.

Despite the decrease in the Group's revenue, the Group's gross profit for FY2025 remained stable as compared to that for FY2024. With reference to the 2025 Annual Report, this was mainly due to decrease in cost of services caused by decrease in (i) gross floor area under management; and (ii) numbers of frontline employees in property management segment.

The Group's loss for FY2025 and loss attributable to owners of the Company for FY2025 decreased by approximately 9.91% and 31.78% respectively. With reference to the 2025 Annual Report, such decreases were mainly due to reduction in net impairment losses on financial assets under expected credit loss model (primarily related to trade receivables, other receivables and related party receivables, from approximately RMB90.1 million for FY2024 to approximately RMB66.6 million for FY2025). The recognition of net impairment losses on financial assets was mainly due to (i) the continued downward movement in the real estate industry and challenging economic conditions; and (ii) the recovery of trade receivables and related party receivables continued to be slow.

The Group's revenue for 1H2026 decreased by approximately 4.46% as compared to that for 1H2025. With reference to the 2026 Interim Report, such decrease was mainly due to decrease in revenue generated from property management services and value-added services.

Despite the decrease in the Group's revenue, the Group's gross profit for 1H2026 remained at similar level as that for 1H2025; while the Group's gross profit margin was approximately 20.69% for 1H2026, representing an increase of approximately 0.84 percentage points as compared to that for 1H2025. With reference to the 2026 Interim Report, the improvement in the Group's gross profit margin was mainly due to the proactive cost optimisation measures taken by the Group in line with the reduced operational scale.

The Company recorded profit attributable to owners of the Company of approximately RMB8.4 million for 1H2026 as opposed to loss attributable to owners of the Company of approximately RMB6.0 million for 1H2025. With reference to the 2026 Interim Report, such turnaround from loss-making to profit-making was mainly due to the significant decrease of approximately RMB16.2 million in net impairment losses on financial assets for 1H2026. Such decrease was mainly attributable to (a) absence of provision amounts due from related companies; and (b) reversal of impairment losses on amounts due from related companies/former fellow subsidiaries.

The Group's total assets decreased by approximately 18.21% from approximately RMB366.7 million as at 31 December 2024 to approximately RMB299.9 million as at 31 December 2025, and remained at similar level at approximately RMB298.1 million as at 30 June 2026. The Group's assets primarily consisted of intangible assets, trade receivables, deposits prepayments and other receivables, amount due from related parties, restricted bank balances, and bank balances and cash.

The Group's intangible assets decreased by approximately 30.25% from approximately RMB57.6 million as at 31 December 2024 to approximately RMB40.2 million as at 31 December 2025, and further decreased by approximately 6.89% to approximately RMB37.4 million as at 30 June 2026. With reference to the 2025 Annual Report and the 2026 Interim Report, the Group's intangible assets consisted of goodwill and customer relationships, both of which arose from the acquisitions of businesses conducted by the Group in the past. The aforesaid decrease in the Group's intangible assets was primarily due to (i) the recognition of impairment of goodwill of approximately RMB11.9 million for FY2025 (i.e. the impairment of goodwill recognised after completion of the acquisition of 60% of the equity interests in Guangdong Yikang Property Service Co., Ltd during the year ended 31 December 2022) after an assessment made by the Directors by comparing the carrying amounts with recoverable amounts of the respective cash-generating units (i.e. the line of businesses under each acquisition); and (ii) the amortisation of the customer relationships over their respective expected useful lives on a straight-line basis.

The Group's trade receivables decreased by approximately 8.56% from approximately RMB84.0 million as at 31 December 2024 to approximately RMB76.8 million as at 31 December 2025, and further decreased by approximately 8.14% to approximately RMB70.5 million as at 30 June 2026; while the Group's related party receivables decreased by approximately 32.20% from approximately RMB39.8 million as at 31 December 2024 to approximately RMB27.0 million as at 31 December 2025, and further decreased by approximately 16.54% to approximately RMB22.5 million as at 30 June 2026. With reference to the 2025 Annual Report and the 2026 Interim Report, the Group's trade receivables and related party receivables mainly represented receivables from the provision of property management services, real estate agency services income and earnest money paid to property developers to entitle the Group an exclusive agency right to sell properties in the primary market projects. The aforesaid decreases in the Group's trade receivables and related party receivables were primarily due to the decrease in revenue generated, the effective measures taken by the Group to collect receivables and the continued provision of impairment losses.

The Group's total liabilities increased by approximately 4.46% from approximately RMB281.0 million as at 31 December 2024 to approximately RMB293.6 million as at 31 December 2025, and decreased by approximately 2.04% to approximately RMB287.6 million as at 30 June 2026. The Group's liabilities primarily consisted of trade payables, contract liabilities, accruals and other payables and tax payable. As shown in the above table, the changes in the Group's total liabilities were primarily due to the changes in contract liabilities and tax payable.

The Group's contract liabilities increased by approximately 42.52% from approximately RMB53.0 million as at 31 December 2024 to approximately RMB75.5 million as at 31 December 2025, and decreased by approximately 18.60% to approximately RMB61.5 million as at 30 June 2026. With reference to the 2025 Annual Report, the Group's contract liabilities represented consideration received in advance from customers for property management services to be provided by the Group.

The Group's net current liabilities increased by approximately 119.26% from 31 December 2024 to 31 December 2025, and decreased by approximately 19.61% from 31 December 2025 to 30 June 2026. With reference to the 2025 Annual Report and the 2026 Interim Report, the changes in the Group's net current liabilities were mainly due to decrease in related party receivables (current assets) and changes in contract liabilities (current liabilities). Due to the loss or profit attributable to owners of the Company for FY2025 and 1H2026 respectively, the equity attributable to owners of the Company changed from approximately positive RMB34.1 million as at 31 December 2024 to approximately negative RMB20.5 million as at 31 December 2025, and to approximately negative RMB11.8 million as at 30 June 2026.

As depicted from the above table, as at 30 June 2026, the Group's bank balances and cash was approximately RMB64.3 million, net current liabilities was approximately RMB49.4 million and the equity attributable to owners of the Company was approximately negative RMB11.8 million.

With reference to the 2025 Annual Report and the 2026 Interim Report:

- (i) the Group recorded loss of approximately RMB71.5 million for FY2025 and the Group's current liabilities exceeded its current assets by approximately RMB61.4 million as at 31 December 2025;
- (ii) while the Group recorded profit of approximately RMB5.0 million for 1H2026, the Group's current liabilities exceeded its current assets by approximately RMB49.4 million as at 30 June 2026.

These conditions indicated the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern (the **"Going Concern Uncertainty"**). Although the Going Concern Uncertainty did not result in a modification of opinion expressed by the Company's auditor on the Group's consolidated financial statements for FY2025, the Company's auditor had nevertheless drawn attention in their report regarding the Going Concern Uncertainty. With reference to the Company's annual report for FY2024, the Company's auditor also drawn attention in their report regarding Going Concern Uncertainty as indicated by the Group's net loss for FY2024 and net current liabilities as at 31 December 2024 (no Going Concern Uncertainty was indicated in the Company's annual report for the year ended 31 December 2023).

With reference to the 2026 Interim Report, in respect of the Group's property management services, the Group continued to introduce information technology and digital tools across its operational spectrum during 1H2026. Artificial intelligence ("AI") powered surveillance system and smart parking management solutions were put into operation, effectively enhancing on-site service efficiency. Concurrently, the hotline services and dedicated WeChat enterprise communication groups facilitated direct online service access, while transparent management practices further strengthened owners' trust. Through active participation in community building initiatives, the Company successfully secured two new projects after 1H2026 as emergency services provider (providing property management services for a duration of six months), creating a virtuous cycle between brand building and market development. Moving forward, the Group remains committed to a strategy of steady growth, actively addressing market challenges while seizing opportunities in the property management industry. The Group will continue to deliver high-quality services to its customers and create greater value for the Shareholders.

On 30 September 2026, resolutions in respect of the Share Subscription (including special deal) were passed under the Company's extraordinary general meeting held on the same date. Completion of the Share Subscription is still subject to satisfaction or (if applicable) waiver of certain conditions precedent (as at the Latest Practicable Date, the Company does not anticipate material difficulty in satisfying the outstanding conditions precedent), including but not limited to the close of the Offer having occurred in accordance with the Takeovers Code. With reference to the September Circular, the Company intends to apply the net proceeds from the Share Subscription (expected to be approximately HK\$49.5 million, assuming full subscription) (the "Net Proceeds") primarily towards the repayment of the Group's outstanding liabilities (owed to third parties which are not Shareholders) and to supplement the Group's general liquidity, with a view to improving its gearing ratio and overall financial position. Based on the Group's financial position as at 30 June 2026 and assuming no change in such financial position other than receiving the Net Proceeds, the Net Proceeds are expected to improve the Group's financial position in the following manners:

- (i) The Group's net current liabilities of approximately RMB49.4 million as at 30 June 2026 is expected to be reduced by approximately HK\$49.5 million (equivalent to approximately RMB42.3 million by adopting the exchange rate of RMB1:HK\$1.17).
- (ii) The Group's gearing ratio of approximately 96% (as total liabilities divided by total assets) as at 30 June 2026 is expected to be reduced to approximately 84%.
- (iii) The equity attributable to owners of the Company of approximately negative RMB11.8 million as at 30 June 2026 is expected to become approximately positive RMB30.5 million.
- (iv) The net equity (negative) attributable to the owners of the Company per Share (the "Net Deficit per Share") of approximately RMB0.0295 as at 30 June 2026, as calculated based on the unaudited equity (negative) attributable to owners of the Company of approximately RMB11.8 million as at 30 June 2026 and 400,000,000 Shares in issue as at the Latest Practicable Date is expected to become net equity attributable to the owners of the Company per Share of approximately RMB0.0396, as calculated based on the expected equity attributable to owners of the Company of approximately RMB30.5 million and 770,000,000 Shares in issue upon completion of the Share Subscription.

Despite the dilution of shareholding interest of the Independent Shareholders (i.e. the Shareholders other than the Offeror and Offeror Concert Parties) as illustrated under the shareholding table below, the Net Deficit per Share as at 30 June 2026 is expected to turnaround with the Net Proceeds.

	As at the Latest Practicable Date		Immediately after completion of the Share Subscription (assuming maximum number of Subscription Shares issued), assuming the Offeror not having received any valid acceptance under the Offer	
	No. of Shares	%	No. of Shares	%
Offeror and Offeror Concert Parties	213,644,000	53.41	583,644,000	75.80
Offer Shareholders/ Independent Shareholders	<u>186,356,000</u>	<u>46.59</u>	<u>186,356,000</u>	<u>24.20</u>
Total	<u>400,000,000</u>	<u>100</u>	<u>770,000,000</u>	<u>100</u>

Outlook and industry overview of the property management services industry in the PRC

We searched for statistics/information relevant to the property management services industry in the PRC, being the Group's existing business.

On 12 May 2026, China Index Academy* (中國指數研究院) (the "China Index Academy") issued 《2026中國物業服務上市公司TOP10研究報告》(Top 10 PRC Listed Property Management Companies Research Report 2026*) (the "Report"). According to China Index Academy's website, it is a research institution which has become a "big data cooperation platform enterprise" for the National Bureau of Statistics of the PRC since 2014. According to the Report, China Index Academy researched for 63 out of 65 PRC property management companies listed in the PRC and Hong Kong as at 30 April 2026 (the "Listed Property Mgt Companies"). In 2025, the Listed Property Mgt Companies recorded (i) average revenue of RMB4.787 billion (represented year-on-year increase of 4.38%); (ii) average gross profit of RMB854 million (represented year-on-year decrease of 1.28%); (iii) average gross profit margin of 17.84% (represented year-on-year decrease of 1.03 percentage points); (iv) average net profit of RMB229 million (represented year-

on-year increase of 12.54%); and (v) average net profit margin of 4.78% (represented year-on-year decrease of 0.34 percentage points). With reference to the Report, the property management industry in the PRC is showing a recovery trend.

Having considered above and that:

- (a) Despite the decrease in the Group's revenue, the Group's gross profit remained stable in (i) FY2025 as compared to FY2024; and (ii) 1H2026 as compared to 1H2025; and
- (b) the Company recorded profit attributable to owners of the Company of approximately RMB8.4 million for 1H2026 as opposed to loss attributable to owners of the Company of approximately RMB6.0 million for 1H2025,

we are of the view that the Group's existing business (i.e. the property management services) is sustainable.

(3) Information on the Offeror

Set out below are information on the Offeror as extracted from the section headed "Letter from Altus Investments — INFORMATION ON THE OFFEROR" in the Composite Document:

The Offeror is a company incorporated in the British Virgin Islands with limited liability, whose principal business is investment holding. As at the Latest Practicable Date, the Offeror is wholly and beneficially owned by Mr. Gong, who is also the sole director of the Offeror.

Mr. Gong, aged 49, has over 25 years of experience in the information technology and internet infrastructure industries. From February 2001 to March 2002, Mr. Gong served as deputy general manager of Jiangsu Benxiang Tongfang Jiangyin Technology Development Co., Ltd.* (江蘇奔翔同方江陰科技發展有限公司). From April 2002 to December 2003, Mr. Gong served as the general manager of Jiangyin Jieling Software Co., Ltd.* (江陰傑靈軟件有限公司). In December 2003, Mr. Gong founded Jiangyin Puer, entering the internet data centre (IDC) industry, and served as the chief executive officer and general manager of Jiangyin Puer until April 2011. In May 2011, Mr. Gong founded VeryCloud. Mr. Gong has since then served as the chief executive officer and general manager of VeryCloud with overall responsibility for the company's major operating policies and strategic decisions.

Mr. Gong is currently the Chairman of Jiangsu Ruihong, the shares of which were previously quoted on the National Equities Exchange and Quotations (NEEQ) of the PRC from November 2022 to March 2026 (ticker: 873920) and subsequently delisted. Jiangsu Ruihong, through its subsidiaries, is principally engaged in developing "cloud + network convergence" service solutions, including content delivery network (CDN), cloud distribution, multi-cloud management, cloud security and cloud migration services, which are applied across industries such as the fintech, e-commerce and intelligent manufacturing. In addition,

the company also integrates AI into its cloud platforms to enable enterprise clients to build or adopt AI assistance running on local servers for enhanced data protection. Mr. Gong does not have any prior experience in the provision of professional property management services.

Mr. Gong obtained a bachelor's degree in automation from Jiangsu University of Technology* (江蘇理工大學) (currently known as Jiangsu University (江蘇大學)) in June 2000 and holds the professional qualification of Senior Economist in the PRC.

(4) Intentions of the Offeror regarding the Group

With reference to the section headed “Letter from Altus Investments — INTENTION OF THE OFFEROR IN RELATION TO THE GROUP” in the Composite Document:

- (a) As at the Latest Practicable Date, the Offeror intended for the Group to continue with its existing businesses and did not intend to make any major changes to its business or to introduce any major changes to the continued employment of the employees of the Group. Having said so, in connection with the Acquisition and the Offer, the Offeror expects to review the Group and its assets, corporate structure, capitalisation, policies, management and personnel to consider and determine what changes, if any, would be appropriate or desirable following completion of the Acquisition and the Offer in order to best organise and optimise the activities of the Group, and may make any changes as it deems necessary or appropriate in the light of its review of the Group, including but not limited to any redeployment of fixed assets of the Group or operations, corporate structure, capitalisation, management or employment arrangements. The Offeror also expects to further explore opportunities for the Group to leverage on Mr. Gong's background and expertise in AI and cloud related services to (i) enhance and upgrade its existing property management and community value-added service offerings through the deeper integration of AI, data analytics and cloud infrastructure across the Group's service delivery, operational management and engagement functions, with a view to improving service quality, operational efficiency, cost control and resident experience; (ii) develop by way of organic expansion new products and service offerings that complement and/or expand the Group's current scope of business, including AI-enabled solutions and cloud-based platforms; and (iii) strengthening the Group's technology capabilities, including its research and development function to support the forgoing initiatives on a sustainable basis.
- (b) Notwithstanding the proposed organic expansion into AI-enabled solutions and cloud-based platforms (the “**Proposed Development**”), as at the Latest Practicable Date, the Offeror does not have (i) any plans to inject any major assets into the Group; and (ii) any intention to downsize any of the Group's existing businesses.
- (c) The Acquisition and the Offer, together with the Share Subscription, is a testament of the Offeror's determination to enhance and revive the operational and financial performance of the Group. As the Company has been facing mounting liquidity

pressure, which is evidenced by its net current liabilities of approximately RMB61.425 million and gearing ratio of 98% as at 31 December 2025, the Offeror seeks to implement both the Acquisition (which in turn triggered the Offer) and the Share Subscription to ensure the Company is in a position to address liquidity issues and improve its financial position before exploring opportunities to enhance the Group's service offerings and/or developing new product and service offerings beyond the Group's current scope of business.

- (d) As at the Latest Practicable Date, the Board comprises seven Directors, being four executive Directors and three independent non-executive Directors. As at the Latest Practicable Date, Mr. Fong, Mr. Sun Ligong, Ms. Tse, each an executive Director, and Mr. Leung Wai Hung and Mr. Du Chenhua, each an independent non-executive Director have tendered their resignation from the Board with effect from the day immediately after the closing date of the Offer (being the earliest date as permitted under the Takeovers Code).
- (e) The Offeror has nominated and the Board has appointed the following individuals as new Directors with effect from the day immediately after the closing date of the Offer: (i) Mr. Gong Weili, as an executive Director; (ii) Mr. Li Jia, as an executive Director; (iii) Mr. Wang Ming, as an executive Director; (iv) Mr. Yau Sze Ka (Albert), as an independent non-executive Director; and (v) Ms. Kuang Xuxia, as an independent non-executive Director. Biographical details of the aforesaid proposed Directors (the “**Biographical Details**”) are set out under the section headed “Letter from Altus Investments — INTENTION OF THE OFFEROR IN RELATION TO THE GROUP” in the Composite Document.

With reference to the 2025 Annual Report and as advised by the Directors: Mr. Han, being an executive Director (who did not tender resignation) and the ultimate beneficial owner of the IU Shareholder, was appointed as an executive Director on 15 June 2021 and acted as the Company's chief executive officer from 30 April 2024 to 16 March 2025. He is primarily responsible for strategic planning and general management of the Group. Mr. Han has served as a director of a number of the operating subsidiaries within the Group since 1998. Given the above, we concur with the Company's view that the experience and expertise of Mr. Han will continue to contribute to the Group's existing business.

We noted Mr. Gong's background and experience in the information technology and internet infrastructure industries from the section headed “Letter from Altus Investments — INFORMATION ON THE OFFEROR” in the Composite Document. In addition, according to the Biographical Details: (i) Mr. Li Jia (being a proposed executive Director), has over 20 years of experience in telecommunications, value-added services, CDN and cloud computing; and (ii) Mr. Wang Ming (being a proposed executive Director), has over 15 years of experience in the internet industry, particularly in internet gaming, advertising and related product platforms. We believe that the background and experience of the aforesaid proposed Directors will facilitate the Proposed Development.

Outlook and industry overview of the AI industry in the PRC

We searched for statistics/information relevant to AI industry in the PRC.

On 21 August 2025, the State Council of the PRC published Opinions of the State Council on Deepening the Implementation of the “Artificial Intelligence+” Initiative* (《國務院關於深入實施「人工智能+」行動的意見》) (the “**Opinions**”). According to the Opinions:

- (i) The PRC will bolster the application of AI in science and technology, industrial development, consumption upgrades, people’s well-being, governance and global cooperation.
- (ii) By 2027, the PRC aims to achieve significant progress in the deep integration of AI in six key sectors, with the penetration rate of new-generation intelligent terminals and AI agents expected to surpass 70 percent. The core industries of the intelligent economy will see rapid growth and the role of AI in public governance will be significantly enhanced.
- (iii) By 2030, AI will empower the PRC’s high-quality development across all fronts, with the penetration rate of next-generation smart terminals and AI agents exceeding 90 percent, highlighting that the intelligent economy will become a significant growth driver for the PRC’s economy.
- (iv) By 2035, the PRC will enter a new stage of intelligent economy and intelligent society comprehensively, providing strong support for realizing socialist modernization, according to the guideline.
- (v) Efforts will be made to improve the basic capabilities of AI models, strengthen the innovation of data supply, enhance intelligent computing power, promote the development of open-source ecosystem and reinforce the construction of talent teams, it added.

On 24 April 2026, China Communications Industry Association Data Center Committee, Technical Committee on Information and Intelligent of Chinese Institute of Command and Control, and Beijing Kezhi Consulting Limited* (北京科智諮詢有限公司) (“**KZ Consulting**”) jointly published the White Paper on AI Agents Empowering Industry Decision-Making: Trends and Practices (2026)* (《AI智能體賦能行業決策：趨勢與實踐白皮書(2026)》) (the “**White Paper**”).

According to China Communications Industry Association Data Center Committee's website, it is a national social organization registered with the Ministry of Civil Affairs of the PRC and a directly affiliated branch of China Communications Industry Association. According to China Communications Industry Association's website, it is a non-profit national social organization registered with the Ministry of Civil Affairs of the PRC in July 1991. It was voluntarily established by domestic entities engaged in the research, development, and manufacture of communications equipment and systems.

According to Chinese Institute of Command and Control's website, Chinese Institute of Command and Control is a national-level academic society in the field of command and control science and technology in the PRC and a member of the China Association for Science and Technology. According to the China Association for Science and Technology's website, in September 1958, with the approval of the PRC Communist Party, China Association for Science and Technology was officially established as a unified organization of science and technology practitioners nationwide. It is also a constituent unit of the National Committee of the Chinese People's Political Consultative Conference.

According to KZ Consulting's website, KZ Consulting is a professional consulting firm specializing in digital technology. It provides strategic consulting, market consulting, industry research, and investment advisory services.

According to the White Paper, the market scale of AI agents in the PRC is demonstrating explosive growth. The market size for enterprise AI agents in the PRC reached RMB8.6 billion in 2024 and surged to RMB21.2 billion in 2025. It is projected to reach RMB44.9 billion in 2026 and is expected to break through RMB332 billion by 2029. Between 2024 and 2029, the compound annual growth rate will reach 107%, reflecting robust demand as AI agents transition from technical validation to large-scale deployment.

The above information indicated potential prospects of AI-related business. Nevertheless, as there is no concrete plan in respect of the Proposed Development, it is uncertain as to whether and when the Proposed Development will be successfully implemented and bring economic benefits to the Group.

(5) Offer Price

Offer Price comparison

The Offer Price of HK\$0.14 per Offer Share represents:

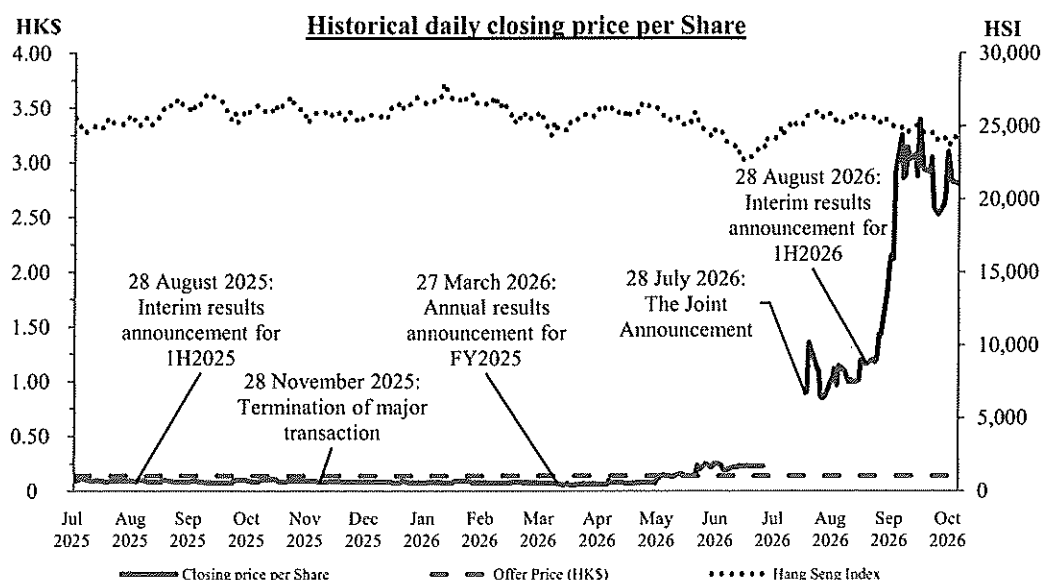
- (i) a discount of approximately 95.03% to the closing price of HK\$2.815 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

- (ii) a discount of approximately 39.13% to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 7 July 2026, being the Last Trading Day;
- (iii) a discount of approximately 38.60% to the average closing price of HK\$0.228 per Share 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 32.04% to the average closing price of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 3.45% to the average closing price of approximately HK\$0.145 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 26.13% over the average closing price of approximately HK\$0.111 per Share as quoted on the Stock Exchange for the last 120 consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a premium of approximately HK\$0.1967 over the Net Deficit per Share of approximately RMB0.0512 (equivalent to approximately HK\$0.0567) as at 31 December 2025, as calculated based on the audited net equity (negative) attributable to owners of the Company of approximately RMB20.5 million as at 31 December 2025 and 400,000,000 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately HK\$0.1739 over the Net Deficit per Share of approximately RMB0.0295 (equivalent to approximately HK\$0.0339) as at 30 June 2026, as calculated based on the unaudited net equity (negative) attributable to owners of the Company of approximately RMB11.8 million as at 30 June 2026 and 400,000,000 Shares in issue as at the Latest Practicable Date.

Historical price performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 28 July 2025 to the Latest Practicable Date, being approximately one year prior to the date of the Joint Announcement and up to and including the Latest Practicable Date (the “Share Review Period”), which we consider to be a sufficient

time period for share prices review to illustrate general trend and level of movement of share prices. The comparison of closing prices of the Shares and Offer Price is illustrated as follows:



Note: Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 8 July 2026 and resumed at 9:00 a.m. on 28 July 2026.

Source: the Stock Exchange's website

During the Share Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$3.395 per Share recorded on 23 September 2026 and HK\$0.054 recorded on 30 March 2026, with an average closing price of approximately HK\$0.436 per Share and median closing price of approximately HK\$0.090 per Share. The Offer Price (i) falls within the closing price range; (ii) is lower than the average closing price; and (iii) is higher than the median closing price during the Share Review Period.

As depicted from the above chart, the closing prices of the Shares fluctuated between HK\$0.054 and HK\$0.109 from 28 July 2025 to 14 May 2026. Subsequently, the closing prices of the Shares hiked and reached HK\$0.250 on 15 June 2026. On 7 July 2026 (being the Last Trading Day), the closing price of the Share was HK\$0.230.

After publication of the Joint Announcement and resumption of trading in the Shares on 28 July 2026, the closing prices of the Shares, which might be stimulated by the publication of the Joint Announcement, surged to HK\$1.360 on 30 July 2026 and reduce immediately to HK\$0.850 on 6 August 2026. Afterwards, the closing prices of the Shares fluctuated between HK\$0.870 and HK\$1.195 from 7 August 2026 to 28 August 2026. Subsequently, the closing prices of the Shares surge to HK\$3.395 (being the highest closing prices of the Shares) on 23 September 2026 after the publication of the Company's 2026 interim results announcement on 28 August 2026 (the **"2026 IR Announcement"**) and circular in relation to the Share Subscription and the Warrant Subscription on 10 September 2026 (the **"EGM Circular"**). Subsequently, the closing prices of the Shares fluctuated between HK\$2.530 per Share to HK\$3.155 per Share up to the Latest Practicable Date. The fluctuation of the closing price of the Shares during the Share Review Period (including the price surges after publications of the Joint Announcement, the 2026 IR Announcement and the EGM Circular (the **"Price Surges"**) may reflect the possible market reactions to/speculations on the Joint Announcement and the EGM Circular (including the possible improvement in the Group's financial position brought by the Share Subscription, background of the Offeror/Mr. Gong and the Offeror's intention as to the Proposed Development), and/or the 2026 IR Announcement.

Although it is uncertain as to whether closing price level of the Shares after the Price Surges may sustain in long-term, we noted that from the publication of the Joint Announcement to the Latest Practicable Date (the **"Post Announcement Period"**), highest and lowest closing prices of the Shares were HK\$3.395 per Share recorded on 23 September 2026 and HK\$0.85 per Share recorded on 6 August 2026, with an average closing price of approximately HK\$1.896 per Share and median closing price of approximately HK\$1.430 per Share from the publication of the Joint Announcement to the Latest Practicable Date (the **"Post Announcement Period"**). The Offer Price of HK\$0.14 per Offer Share represents discounts ranging from approximately 83.53% to approximately 95.88%, to the closing prices of Shares during the Post Announcement Period.

Trading liquidity analysis

The number of trading days, the average daily number of the Shares traded per month, and the respective percentages of the Shares' monthly trading volume during the Share Review Period as compared to (i) the total number of issued Shares held by the

Independent Shareholders as at the Latest Practicable Date; and (ii) the total number of issued Shares as at the end of each month/period, are tabulated as below:

Month	No. of trading days	Average daily trading volume (the "Average Volume") in Shares	% of the Average Volume to total number of issued Shares as at the Latest Practicable Date %	% of the Average Volume to total number of issued Shares held by the Independent Shareholders (excluding the Excluded Shares and the IU Shares) as at the Latest Practicable Date %
2025				
July	4	347,000	0.087	0.223
August	21	168,381	0.042	0.108
September	22	75,273	0.019	0.048
October	20	14,800	0.004	0.009
November	20	64,400	0.016	0.041
December	21	16,952	0.004	0.011
2026				
January	21	100,000	0.025	0.064
February	17	65,882	0.016	0.042
March	22	681,455	0.170	0.437
April	19	486,526	0.122	0.312
May	19	870,105	0.218	0.558
June	21	3,837,524	0.959	2.461
July	8	11,084,988	2.771	7.108
August	21	2,976,720	0.744	1.909
September	22	2,178,045	0.545	1.397
October (up to the Latest Practicable Date)	7	926,857	0.232	0.594

Notes: Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 8 July 2026 and resumed at 9:00 a.m. on 28 July 2026.

Source: Stock Exchange's website

During the Share Review Period:

- (i) The Average Volume was below 1% of the total number of issued Shares as at the Latest Practicable Date (except for July 2026).
- (ii) The Average Volume was below 2% of the total number of issued Shares held by the Independent Shareholders (excluding the Excluded Shares and the IU Shares) as at the Latest Practicable Date (except for June and July 2026).

The Average Volume was generally thin during majority of the trading days in the Share Review Period.

Trading multiples analysis

We noted that trading multiple analysis (including the use of price-to-earnings ratio, price-to-book ratio and price-to-sales ratio) are commonly adopted method for the purpose of assessing the fairness and reasonableness of the Offer Price. However, as the Group is loss-making for FY2025 (being the latest audited financial year) and recorded Net Deficit per Share as 30 June 2026, the use of price-to-earnings ratio and price-to-book ratio is not practicable. In addition, we consider that the price-to-sales ratio is not optimal in this case as it does not take into account a company's profitability after considering costs. Accordingly, we consider trading multiple analysis is impracticable in this regard.

CONCLUSION AND RECOMMENDATION

In respect of the Group's financial position and business development

As illustrated under the section headed "(2) Information on the Group" above:

- (i) There was Going Concern Uncertainty for FY2024, FY2025 and 1H2026 (which was principally indicated by the Group's loss and/or net current liabilities).
- (ii) The Net Proceeds are expected to improve the Group's financial position (including reducing the Group's net current liabilities of approximately RMB49.4 million as at 30 June 2026 by approximately HK\$49.5 million (equivalent to approximately RMB42.3 million)), easing a key factor that indicated the Going Concern Uncertainty.
- (iii) The Company recorded profit attributable to owners of the Company of approximately RMB8.4 million for 1H2026 as opposed to loss attributable to owners of the Company of approximately RMB6.0 million for 1H2025.
- (iv) The Group's existing business (i.e. the property management services) is sustainable as illustrated and concluded under the section headed "(2) Information on the Group" above.

Nevertheless:

- (i) The Group's revenue decreased from FY2024 to FY2025 and from 1H2025 to 1H2026.
- (ii) As there is no concrete plan in respect of the Proposed Development, it is uncertain as to whether and when the Proposed Development will be successfully implemented and bring economic benefits to the Group.

In respect of the Offer Price

As per our letter of advice in respect of the Share Subscription (including special deal) as contained in the September Circular (the **"Share Subscription IFA Letter"**), we concluded that the Subscription Price (HK\$0.14 which is the same as the Offer Price) is fair and reasonable from the perspective of the Company's independent shareholders in respect of a fund-raising exercise of the Company (whereas we considered (i) the factors as set out under the section headed **"Conclusion on the Share Subscription Price"** of the Share Subscription IFA Letter; (ii) that the Share Subscription Price was determined after arm's length negotiations between the Company and the Share Subscribers before entering into the Share Subscription Agreement (Shares closing prices might be stimulated by the publication of the Joint Announcement); and (iii) that, despite the dilution effect caused by issuance of the Subscription Shares, all Shareholders (including independent shareholders) could be benefited from the expected improvement of the Group's financial position upon completion of the Share Subscription (e.g. the Net Proceeds is expected to turnaround the Net Deficit per Share of approximately RMB0.0295 as at 30 June 2026 to net equity attributable to the owners of the Company per Share of approximately RMB0.0396).

As the Offer Price equals to the Subscription Price, we also consider the Offer Price to be fair and reasonable so far as the Independent Shareholders are concerned.

In respect of acceptance of the Offer

In respect of acceptance of the Offer, we considered the Offer from the Independent Shareholder's perspective, in particular, whether an Independent Shareholder should dispose the Share(s) held by accepting the Offer at the Offer Price, with the following factors:

- (i) On 30 September 2026, resolutions in respect of the Share Subscription (including special deal) were passed under the Company's extraordinary general meeting held on the same date. The Net Proceeds are expected to improve the Group's financial position (including turnaround of the Net Deficit per Share of approximately RMB0.0295 as at 30 June 2026 to net equity attributable to the owners of the Company per Share of approximately RMB0.0396 (the **"Improved NAV per Share"**)). The Offer Price of HK\$0.14 represents a premium of approximately 202%

over the Improved NAV per Share (whereas the closing price of HK\$2.815 of the Share as at the Latest Practicable Date represents a premium of approximately 5,969% over the Improved NAV per Share).

- (ii) The closing price of Share surged significantly following the publication of the Joint Announcement and the Offer Price represents discounts ranging from approximately 83.53% to approximately 95.88%, to the closing prices of Shares for the Post Announcement Period. In other words, the closing prices of Shares for the Post Announcement Period represented premium from approximately 507% to 2,325% over the Offer Price.
- (iii) The improvement in the Group's financial position (including the expected improvement brought by the Net Proceeds) as summarized under the sub-section headed "In respect of the Group's financial position and business development" above.

Should the Independent Shareholders, after considering the expected improvement of the Group's financial positions and the Proposed Development, be positive on the Group's future prospects, they may retain their shareholding (investment) in the Company and do not accept the Offer.

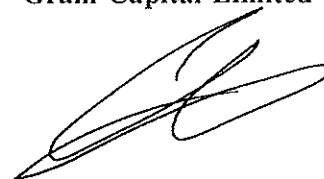
Should the Independent Shareholders, after considering the Going Concern Uncertainty and the uncertainty of the Proposed Development, they may realise their shareholding (investment) in the Company. Nevertheless, given that the closing prices of Shares for the Post Announcement Period represented premium from approximately 507% to 2,325% over the Offer Price (notwithstanding the generally thin Average Volume during majority of the trading days in the Share Review Period), the Independent Shareholders should consider to realise their shareholding (investment) in the Company in open market instead of accepting the Offer.

Having considered the above, we are of the view that, although the Offer is fair and reasonable so far as the Independent Shareholders are concerned, we recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer.

Independent Shareholders should note that the Price Surges may reflect possible market reactions to/speculations on the Joint Announcement, the EGM Circular (including the possible improvement in the Group's financial position brought by the Share Subscription, background of the Offeror/Mr. Gong and the Offeror's intention as to the Proposed Development) and/or the 2026 IR Announcement. It is uncertain as to whether closing price level of the Shares after the Price Surges may sustain in long-term. Given the generally thin Average Volume during majority of the trading days in the Share Review Period, Independent Shareholders may encounter difficulties in realising their investment in the Company.

As different Independent Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Gram Capital Limited



Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

* *For identification purpose only*