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28 January 2026

To: the Independent Board Committee

Dear Sirs,

(1) PROPOSAL FOR THE PRIVATISATION OF LEGEND UPSTAR HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS AND (2) PROPOSED WITHDRAWAL OF LISTING

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Proposal and the Scheme, details of which are set out in the Scheme Document dated 28 January 2026, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context otherwise requires.

On 9 December 2025, the Offeror and the Company jointly announced that the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act and the withdrawal of the listing of the Shares on the Stock Exchange. If the Proposal is approved and implemented, all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date, in exchange for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price of HK$0.133 in cash for each Scheme Share.

Upon the Scheme becoming effective, the Company will become a wholly-owned subsidiary of the Offeror. It is intended that the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

An Independent Board Committee, which comprises all the independent non-executive Directors who have no direct or indirect interest in the Proposal, namely Mr. SHA Pau, Eric, Mr. WONG Chung Kwong and Mr. LI Wai Keung, has been established by the Board to advise the Disinterested Scheme Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting and the EGM. With the approval of the Independent Board Committee, we have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme.

We are not associated with the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Proposal and the Scheme. In the past two years prior to this appointment, we did not act as financial adviser to or agent for the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the executive directors and management of the Company, which we have assumed to be true, accurate and complete in all material respects as at the Latest Practicable Date and will remain so up to the time of the Court Meeting and the EGM. We have reviewed (i) the annual reports of the Company for the years ended 31 December 2023 and 2024, and the interim report of the Company for the six months ended 30 June 2025; (ii) the valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**Property Valuer**") on the property interests of the Group as at 30 November 2025 (the "**Property Valuation Report**") as set out in Appendix II to the Scheme Document; (iii) the trading performance of the Shares on the Stock Exchange in recent years; and (iv) other relevant information contained in the Scheme Document. We have discussed with an executive director (who acted on behalf of the Board) the statements set out in the section headed "4. Material Change" in Appendix I to the Scheme Document that, save as disclosed in that section, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

We have sought and received confirmation from the Directors that all material information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information which we have received is sufficient for us to reach our opinion and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts has been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Offeror, or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Scheme Document are true as at the Latest Practicable Date. Shareholders will be informed as soon as possible if we become aware of any material change to such representations.

We have not considered the tax and regulatory implications as regards the Proposal and the Scheme since these depend on individual circumstances. In particular, the Disinterested Scheme Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL TERMS OF THE PROPOSAL

The principal terms of the Proposal are summarised below. The Scheme Shareholders are urged to read the relevant sections in the Scheme Document and its appendices in full.

The Proposal

As stated in the section headed "1. Introduction" in the Explanatory Memorandum as contained in the Scheme Document, if the Proposal is approved and implemented:

(a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price of HK$0.133 in cash for each Scheme Share;

(b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror; and

(c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,805,282,608 Shares, out of which (i) the Offeror held 1,132,553,428 Shares, or approximately 62.74% of the issued Shares; and (ii) the Scheme Shareholders held 672,729,180 Shares, or approximately 37.26% of the issued Shares. Other than the Shares held by the Offeror, which will not form part of the Scheme Shares, the Offeror Concert Parties do not hold or beneficially own any Shares.

Save as the 54,000,000 outstanding Share Options with an exercise price of HK$0.128 per Share held by the Offeror Concert Parties, there were no other outstanding options, warrants, derivatives or securities convertible into Shares as at the Latest Practicable Date. The holders of the outstanding Share Options, all being Offeror Concert Parties, have indicated that they will not exercise their respective Share Options during the offer period applicable under the Scheme and require no option offer to be extended to them pursuant to Rule 13 of the Takeovers Code. Pursuant to the terms of the Share Option Scheme, the Share Options will lapse automatically upon the Scheme becoming effective.

As at the Latest Practicable Date, (i) the Company had not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company did not intend to announce, declare, or pay any dividend, distribution or other return of capital on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

The Cancellation Price is final and will not be adjusted. The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

As set out in the section headed "2. Terms of the Proposal" in the Explanatory Memorandum as contained in the Scheme Document, the Cancellation Price has been determined by the Offeror after taking into account factors including the prevailing net losses suffered by the Group and the continued trend of fair value loss from the revaluation of the Group's investment properties as disclosed in the interim report of the Company for the six months ended 30 June 2025, and the factors set out in the section headed "4. Reasons for and benefits of the Proposal" in the Explanatory Memorandum, with reference to the pricing premium in comparable privatisation transactions in recent years. Please refer to our relevant analyses on the above in the sections below headed "3. Financial information and prospects of the Group", "4(e) Property valuation and adjusted net asset value" and "4(g) Privatisation precedents".

Conditions of the Proposal

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the Conditions are fulfilled or waived (as applicable) on or before the Long Stop Date. A full set of the Conditions and the relevant details are set out in the section headed "5. Conditions of the Proposal and the Scheme" in the Explanatory Memorandum as contained in the Scheme Document. The main Conditions are as follows:

(a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting in accordance with the prevailing requirements of section 86 of the Companies Act as at the date of the Court Meeting;

(b) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting, and the number of votes cast by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders;

(c) (i) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) after the above reduction of share capital of the Company, the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to immediately thereafter increase the number of issued Shares in the issued share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and the application of the credit arising in the Company's books of accounts as a result of the aforesaid reduction of share capital to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for allotment and issuance to the Offeror;

(d) the Grand Court's sanction of the Scheme (with or without modification) under section 86(2A) of the Companies Act and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court in respect of the reduction of the issued share capital of the Company for registration;

(e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under sections 15 to 17 of the Companies Act in relation to the reduction of the issued share capital of the Company involved in the Scheme; and

(f) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date.

In relation to Condition (b) above and based on approximately 673 million Shares held by the Disinterested Scheme Shareholders, if approximately 67.3 million Shares held by the Disinterested Scheme Shareholders are voted against the Scheme, the Scheme will not proceed.

The Conditions set out in paragraphs (a) to (e) and (f)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (f)(i)(2) and (f)(ii) in whole or in part. The Company does not have the right to waive any of the Conditions.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (e) (inclusive), the Offeror and the Company are not aware of any other Approvals which are required as set out in the Conditions in paragraph (f) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraph (f) not being satisfied.

As at the Latest Practicable Date, none of the above main Conditions have been fulfilled or waived (where applicable). Please refer to the section headed "5. Conditions of the Proposal and the Scheme" in the Explanatory Memorandum as contained in the Scheme Document regarding the details and status of the full set of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

The Proposal is currently expected to be completed in the first quarter of 2026, and the payments of the Cancellation Price to be made to the Scheme Shareholders on or before 31 March 2026. For further information regarding upcoming timeline of the Proposal, please refer to the section headed "Expected Timetable" as contained in the Scheme Document.

Disinterested Scheme Shareholders should note that the Scheme, if approved, will be binding on the Company and all the Scheme Shareholders, irrespective of whether or not they have attended or voted at the Court Meeting and/or the EGM.

If the Scheme is not approved or the Proposal otherwise lapses, neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

Disinterested Scheme Shareholders should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Disinterested Scheme Shareholders should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background and principal business of the Group

Legend Upstar Holdings Limited is an investment holding company. The Group is principally engaged in (i) the provision of property agency services in respect of commercial and industrial properties and shops under brand "Midland IC&I" (美聯工商舖); (ii) the investment in non-residential properties; and (iii) the credit business in Hong Kong under brand "Legend Credit" (駿聯信貸). The Shares are listed on the Main Board of the Stock Exchange. As at the Latest Practicable Date, the market capitalisation of the Company was approximately HK$216.6 million.

The property agency business segment has been the largest contributor to the Group's revenue stream. Property agency fees generated from the provision of the property agency services amounted to approximately HK$338.5 million and HK$301.5 million in 2023 and 2024, representing approximately 85.3% and 84.5% of the Group's total revenues, respectively. In terms of property agency fees by property type, shops and commercial properties together accounted for over 70% of such fee income in both 2023 and 2024.

Under the properties investment segment, the Group holds a portfolio of non-residential properties, mainly representing commercial and industrial units, serviced apartments and shops in Hong Kong, for rental income. In 2023 and 2024, the occupancy rate of the Group's investment portfolio stayed high, while the Group's serviced apartment (being the Princeton Residence) registered high occupancy rates and slight rental income gains. Accordingly, it brought a stable rental income to the Group in the past two years, amounting to approximately HK$27.5 million and HK$28.4 million. While the revenue contribution only accounted for less than 10% of the Group's total revenues in recent periods, the Group's investment properties accounted for approximately 58.8% of its total assets as at 30 June 2025.

The credit business segment is conducted through the Group's wholly-owned subsidiary, Legend Credit Limited, which is a licensed money lender under the Money Lenders Ordinance. The vast majority of the Group's loans represented property mortgage loans granted to customers in Hong Kong, with properties located in Hong Kong as collateral. It brought interest income to the Group amounting to approximately HK$31.1 million and HK$27.0 million in 2023 and 2024 respectively. While the revenue contribution only accounted for less than 10% of the Group's total revenues in recent periods, the credit business contributed a majority of the segment results of the Group.

Further analysis of the Group's operating performance and financial position is set out in the section below headed "3. Financial information and prospects of the Group".

2. Reasons for and benefits of the Proposal

It is stated in the section headed "4. Reasons for and benefits of the Proposal" in the Explanatory Memorandum as contained in the Scheme Document, that the Proposal is intended to provide a compelling opportunity for the Scheme Shareholders to fully exit their investments with certainty and realise immediate value during uncertain times. The Offeror believes that the non-residential property segment is currently navigating a period of challenge and adjustment, and noted the broader credit environment has become increasingly cautious regarding this segment, as evidenced by the increases in credit-related provisions by a number of banks on loans relating to Hong Kong commercial property sector, in which the Group conducts its principal businesses.

We note from the Company's 2025 interim report that while the Group recorded an increase in revenues by approximately 19.4% to approximately HK$240.5 million in the first half of 2025, mainly benefitted by an increase in agency fee from industrial property transactions, a net loss for the period attributable to equity holders of the Company of approximately HK$33.3 million was recorded during the same period, mainly due to the non-cash fair value loss on the Group's investment properties, reflecting the challenging market conditions of the non-residential property market in Hong Kong. Please refer to the section below headed "3. Financial information and prospects of the Group" for our further analysis on the historical financial information and prospects of the Group.

The Cancellation Price represents premiums in the range of approximately 71.28% to 80.22% over the average closing prices of the Shares for different periods of up to the last 90 days prior to publication of the Announcement. As disclosed in the section headed "4. Reasons for and benefits of the Proposal" in the Explanatory Memorandum, the Offeror recognizes that the liquidity of the Shares has been relatively low when compared to the total number of Shares available for trading (i.e. being the total number of issued Shares other than the Shares held by the Offeror. The Offeror believes that the Proposal, if implemented, will offer the Scheme Shareholders an opportunity to recuperate their investment in the Company at a substantial market premium, allowing them to reallocate capital to alternative investment opportunities. Our analyses on the historical price performance of the Shares, trading liquidity of the Shares and the comparison of the level of premiums offered under the Proposal with other privatisation proposals in Hong Kong are set out in the sections below headed "4(a) Historical price performance of the Shares", "4(b) Trading liquidity of the Shares" and "4(g) Privatisation precedents" respectively.

As stated in the section headed "9. The Intentions of the Offeror in relation to the Group" in the Explanatory Memorandum as contained in the Scheme Document, as at the Latest Practicable Date, the Offeror intends that the Group will continue to carry on its existing businesses, and the Offeror has no intention, upon the Scheme becoming effective, to make any material change to the existing businesses and/or material disposal or redeployment of assets of the Group, or to make any significant changes to the continued employment of employees of the Group as a result of the implementation of the Proposal other than any change which the Group may from time to time implement in the ordinary course of business. It is also stated that the Group will continue to work with its customers and business partners in existing and future endeavours to grapple with business challenges.

Shareholders should note that the Offeror will not increase the Cancellation Price and does not reserve the right to do so. As the Offeror has a statutory control over the Company, holding approximately 62.74% of the issued Shares as at the Latest Practicable Date, we consider it unlikely that another third party could in practice make a comparable or better offer for the entire Shares, and any such offer would not succeed without the approval of the Offeror.

3. **Financial information and prospects of the Group**

(i) Operating performance

The following table sets out a summary of the consolidated income statements of the Group for the three years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2024 and 2025, as extracted and summarised from the annual reports and interim report of the Company. Further details and other financial information of the Group are set out in Appendix I to the Scheme Document.

	For the six months ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenues	**240,538**	**201,530**	**356,856**	**397,073**	**450,083**
Fair value loss on investment properties	**(47,200)**	**(3,400)**	**(53,900)**	**(26,700)**	**(11,301)**
Other gains/(loss), net	166	285	12,003	7,342	2,798
Operating expenses	(208,703)	(159,245)	(293,637)	(315,819)	(395,886)
Operating lease charges in respect of shop premise	–	(390)	(550)	(163)	–
Depreciation of right-of-use assets and property and equipment	(8,759)	(11,316)	(21,644)	(29,245)	(31,516)
Net impairment losses on financial assets	(1,078)	(7,676)	(6,461)	(10,362)	(6,237)
Operating (loss)/profit	(25,036)	19,788	(7,333)	22,126	7,941
Finance costs, net	(6,264)	(8,814)	(16,029)	(16,180)	(10,185)
(Loss)/profit before income tax	(31,300)	10,974	(23,362)	5,946	(2,244)
(Loss)/profit for the period/year	(33,803)	9,291	(26,641)	(1,695)	(3,652)
(Loss)/profit for the period/ year attributable to equity holders of the Company	**(33,343)**	**9,504**	**(26,043)**	**(733)**	**(3,689)**
(Loss)/earnings per share – Basic and diluted ***(HK cents)***	**(1.847)**	**0.526**	**(1.443)**	**(0.041)**	**(0.204)**

During the periods under review, despite its properties investment and credit business segments remained stable, the Group's property agency business segment has been adversely affected by, among others, the poor market conditions which was caused by the weak local consumption, the weaker-than-expected economic recovery, the decline in visitor spending, the elevated interest rate environment and the poor investment sentiment. These negative factors caused downward pressure on the non-residential property market activities and prices in Hong Kong, and as a result, the contributions from the Group's property agency business segment in recent periods have been significantly reduced. Coupled with the fair value loss on the Group's investment properties in recent periods, the Group incurred a net loss in each of the year 2022, 2023 and 2024, and in the first half of 2025. Further details are discussed in the remaining paragraphs of this section.

Revenues

The Group's revenues declined by approximately 11.8% from approximately HK$450.1 million in 2022 to approximately HK$397.1 million in 2023 and further declined by approximately 10.1% to approximately HK$356.9 million in 2024. The declines were mainly due to the continuous drop in property agency fees, which decreased from approximately HK$389.1 million in 2022 to approximately HK$338.5 million in 2023 and to approximately HK$301.5 million in 2024, resulting from the decreases in the transaction volumes of shops, offices and industrial units. According to the Hong Kong transactions statistics published on the website of Midland Group (as defined below), transaction volumes of shops, offices and industrial units continued to drop in recent years, from approximately 4,500 units in 2022 to approximately 3,900 units in 2023 and further down to approximately 3,500 units in 2024. The decrease in the Group's revenue from property agency business was partly offset by the stable income from the Group's properties investment and credit businesses.

In the first half of 2025, the Group recorded revenues of approximately HK$240.5 million, representing an increase of approximately 19.4% compared with that in the first half of 2024. The increase was mainly driven by the improvement of the Group's property agency business segment, supported by the rise in the transaction activity of the non-residential market and a series of business enhancement initiatives between the Group and members of Midland Holdings Limited ("**Midland**", together with its subsidiaries, "**Midland Group**"), a company listed on the Stock Exchange (stock code: 1200.HK) and controlled by Mr. Freddie Wong. Revenue from the Group's properties investment and credit businesses continued to remain stable during the same period.

Fair value loss on investment properties

The Group's investment properties were valued by an independent qualified professional valuer at the end of each reporting period/year, and the relevant fair value gains/loss were recognised in the Group's financial results during the periods under review. The Group recorded fair value loss on its investment properties in each of the year 2022, 2023 and 2024, and in the first half of 2025, mainly due to, among others, the continued challenging conditions in the Hong Kong non-residential property market and the elevated interest rate environment.

After the subdued market in 2024, the transaction volume across different property types, including shops, offices and industrial units, posted year-on-year gains in the first half of 2025. Despite the increased volume, the office sector was affected by market concerns over the uncertain geopolitical situation, which disrupted business expansion plans, and the retail sector continued to suffer from the impact of cross-border spending by local consumers. As a result, the Group recognised further fair value losses on investment properties of approximately HK$47.2 million in the first half of 2025.

Other gains/(loss), net

Other gains/(loss), net of the Group of approximately HK$12.0 million in 2024 mainly related to a compensation income of approximately HK$11.4 million from a litigation claim, while the amount of approximately HK$7.3 million in 2023 mainly related to a gain on disposal of a subsidiary, which in turn held a shop unit located in Hong Kong.

Operating expenses

Operating expenses mainly included (i) staff costs (including directors' emoluments), (ii) commissions and rebates to property consultants, co-operative estate agents and property buyers and (iii) advertising and promotion expenses. It generally trended downward during the periods under review.

Loss for the period/year attributable to equity holders of the Company

Loss for the period/year attributable to equity holders of the Company has been affected significantly by the Group's fair value loss on investment properties, as explained above. The attributable loss amounted to approximately HK$3.7 million, HK$0.7 million, and HK$26.0 million in 2022, 2023 and 2024, and approximately HK$33.3 million in the first half of 2025. The widening losses in 2024 and the first half of 2025, compared with the corresponding periods in the previous years, were mainly due to the revaluation loss of the Group's investment properties.

On 30 December 2025, the Company published a profit warning statement (the "**Profit Warning Statement**"), stating that, among others, (i) the Group expected to record a deterioration in financial results in 2025 as compared to the consolidated net loss attributable to equity holders of approximately HK$26 million in 2024, principally due to the fair value loss on investment properties of approximately HK$117 million for the eleven months ended 30 November 2025, and (ii) the Group had otherwise recorded an operating profit generated from property agency business, credit business and properties investment business, excluding a fair value loss on investment properties for the same period. The Profit Warning Statement constitutes a profit forecast under Rule 10 of the Takeovers Code and has been reported on by us and the auditor of the Company in accordance with Rule 10 of the Takeovers Code, the relevant reports of which are set out in Appendix V and IV to the Scheme Document respectively.

As described above, the results of the Group have been affected by fair value changes in its investment property portfolio. For the sake of analysing the Group's underlying operating performance for the last financial year and trailing twelve months ("**TTM**"), we have made adjustments to exclude the fair value losses on investment properties from the Group's net losses in 2024 and TTM ended 30 June 2025 as follows:

	For the TTM ended 30 June 2025 *HK$'000* *(Note 1)*	**For the year ended 31 December 2024** *HK$'000*
Reported loss for the period attributable to equity holders of the Company	(68,890)	(26,043)
Add-back: reported fair value loss on investment properties *(Note 2)*	97,700	53,900
Adjusted profit for the period attributable to equity holders of the Company ("**Adjusted Profit**")	28,810	27,857
Adjusted earnings per Share *(Note 3)*	0.0160	0.0154

Notes:

1. *Represented the consolidated reported TTM figures, calculated based on the published financial information extracted from the Company's 2024 annual report and/or 2025 interim report*

2. *The above adjustment has not taken into account any effect on tax or non-controlling interest*

3. *Based on the 1,805,282,608 Shares in issue as at the Latest Practicable Date*

Based on the above calculation, the adjusted earnings per Share, excluding the effect of reported fair value loss on investment properties, were approximately HK$0.0154 and HK$0.0160 per Share for the year ended 31 December 2024 and the TTM ended 30 June 2025 respectively. On this basis, the Cancellation Price of HK$0.133 per Scheme Share represents adjusted price-to-earnings ("**P/E**") ratios of approximately 8.62 times based on the Group's Adjusted Profit in 2024, or approximately 8.33 times based on the Group's Adjusted Profit for the TTM ended 30 June 2025.