

1 June 2026

To: The independent board committee of Wecon Holdings Limited

Dear Sirs,

**(1) PROPOSAL FOR THE PRIVATISATION OF
WECON 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 as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Proposal and the Scheme, details of which are set out in the Scheme Document dated 1 June 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 Scheme Document unless the context requires otherwise.

On 26 February 2026, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

An Independent Board Committee, which comprises all the independent non-executive Directors, namely, Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Scheme Shareholders as to whether the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM. 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 Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

INDEPENDENCE

There was no relationship or interests between Gram Capital and the Company, the Offeror, the Offeror Concert Parties, and their respective controlling shareholders; and Gram Capital was not in the same group as the financial or other professional advisers (including a stockbroker) to the Company or the Offeror, during the past two years immediately preceding the Announcement Date (i.e. 16 March 2026) up to and including the Latest Practicable Date, 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.

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 Scheme Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror, 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 and the Offeror in the Scheme 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 Scheme Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the Offeror, which have been provided to us. Our opinion is based on the Directors' and the Offeror's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Proposal. We consider that we have taken sufficient and necessary steps (including review of the Company's annual report for the year ended 31 March 2025 (the "2024/25 Annual Report"), interim report for the six months ended 30 September 2025 (the "2025/26 Interim Report") and the Scheme Document) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the section headed 1. RESPONSIBILITY STATEMENT of Appendix II to the Scheme Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Scheme 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, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposal and the Scheme.

We have assumed that the Proposal and the Scheme will be consummated in accordance with the terms and conditions set forth in the Scheme 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 Proposal and the Scheme, 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 Proposal and the Scheme. 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. The Shareholders will be notified of any material changes as soon as possible in accordance with 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 Proposal and the Scheme, we have taken into consideration the following principal factors and reasons:

(1) Background and terms of the Proposal and the Scheme

On 26 February 2026, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share and the withdrawal of listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment to each Scheme Shareholder of the Cancellation Price in cash for each Scheme Share cancelled;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of accounts of the Company as a result of the capital reduction will be applied in paying up in full value the new Shares so allotted and issued, credited as fully paid, to the Offeror; and
- (c) the Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules and such withdrawal is expected to take place with effect from the Effective Date.

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With reference to the section headed “Terms of the Proposal” in Part IV – Letter from the Board (the “Board Letter”) of the Scheme Document, subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.280 in cash

Immediately after the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of accounts of the Company as a result of the capital reduction will be applied in paying up in full value the new Shares so allotted and issued, credited as fully paid, to the Offeror.

As at the Latest Practicable Date, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is made, declared or paid in respect of the Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend, distribution and/or return of capital. The Company has confirmed that it does not have any intention to make, declare or pay any future dividend or make other distributions until after the implementation or lapse of the Scheme.

Further details of the Proposal and the Scheme are set out in the section headed “Terms of the Proposal” in the Board Letter.

(2) Information on the Group

With reference to the section headed “8. Information on the Company and the Group” in Part VII – Explanatory Memorandum (the “Explanatory Memorandum”) of the Scheme Document, the Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Group is a long-established main contractor in Hong Kong and principally engaged in the provision of (i) building construction services; and (ii) repair, maintenance, alternation and addition (“RMAA”) works services. The Group provides building construction services to customers in both private and public sectors.

Financial information

Set out below is a summary of the audited consolidated financial performance of the Group for the two years ended 31 March 2025 as extracted from the 2024/25 Annual Report:

	For the year ended 31 March 2025 ("FY2024/25") HK\$'000	For the year ended 31 March 2024 ("FY2023/24") HK\$'000	Year on year change %
Revenue	1,058,674	1,160,370	(8.76)
– Building construction services	919,765	726,022	26.69
– RMAA works services	138,909	434,348	(68.02)
Gross profit	37,518	45,096	(16.80)
Profit attributable to owners of the Company	7,386	6,001	23.08

As depicted from the above table, (i) the Group's revenue generated from building construction services increased by approximately 26.69% from FY2023/24 to FY2024/25 (as advised by the Directors, such increase was mainly due to the increase in revenue generated from several major projects which achieved significant progress during FY2024/25); and (ii) the Group's revenue generated from RMAA works services decreased by approximately 68.02% from FY2023/24 to FY2024/25 (as advised by the Directors, such decrease was mainly due to decrease in revenue generated from several major projects as a result of their completion during FY2024/25). With the aforesaid changes, the Group's total revenue decreased by approximately 8.76% from approximately HK\$1,160.4 million for FY2023/24 to approximately HK\$1,058.7 million for FY2024/25.

The Group's gross profit also decreased by approximately 16.80% from approximately HK\$45.1 million for FY2023/24 to approximately HK\$37.5 million for FY2024/25. With reference to the 2024/25 Annual Report and as advised by the Directors, such decrease was mainly due to (i) decrease in the Group's revenue; and (ii) gross loss recorded for the Group's RMAA works services segment for FY2024/25 in contrast to gross profit for FY2023/24 (as a result of lower margin generated from works orders performed and site overhead costs incurred during the completion stage of several major projects during FY2024/25).

Despite the aforesaid decreases in the Group's revenue and gross profit, the profit attributable to owners of the Company increased by approximately 23.08% from approximately HK\$6.0 million for FY2023/24 to approximately HK\$7.4 million for FY2024/25. With reference to the 2024/25 Annual Report and as advised by the Directors, such increase was mainly due to the increase in the Group's other income, other gains and losses as a result of increase in fair value gain on financial assets at fair value through profit or loss, net.

Set out below is a summary of the unaudited consolidated financial performance of the Group for the six months ended 30 September 2025 (together with comparative figures for the corresponding period in 2024) as extracted from the 2025/26 Interim Report:

	For the six months ended 30 September 2025 ("1H2025/26") HK\$'000	For the six months ended 30 September 2024 ("1H2024/25") HK\$'000	Year on year change %
Revenue	648,028	580,296	11.67
– Building construction services	644,361	446,250	44.39
– RMAA works services	3,667	134,046	(97.26)
Gross profit	23,094	16,946	36.28
Profit attributable to owners of the Company	6,316	5,046	25.17

As depicted from the above table, (i) the Group's revenue generated from building construction services increased by approximately 44.39% from 1H2024/25 to 1H2025/26 (as advised by the Directors, such increase was mainly due to the increase in revenue generated from several major projects which achieved significant progress during 1H2025/26); and (ii) the Group's revenue generated from RMAA works services decreased by approximately 97.26% from 1H2024/25 to 1H2025/26 (as advised by the Directors, such decrease was mainly due to decrease in revenue generated from RMAA works services as a result of their completion during 1H2025/26). With the aforesaid changes, the Group's total revenue increased by approximately 11.67% from approximately HK\$580.3 million for 1H2024/25 to approximately HK\$648.0 million for 1H2025/26.

Alongside with the aforesaid increase in the Group's revenue, the Group's gross profit also increased by approximately 36.28% from approximately HK\$16.9 million for 1H2024/25 to approximately HK\$23.1 million for 1H2025/26.

With the increase in the Group's gross profit (as partially offset by decrease in the Group's other income, other gains and losses), the profit attributable to owners of the Company also increased by approximately 25.17% from approximately HK\$5.0 million for 1H2024/25 to approximately HK\$6.3 million for 1H2025/26.

Set out below is a summary of the Group's consolidated financial position as at 31 March 2025 and 31 March 2024 as extracted from the 2024/25 Annual Report, and as at 30 September 2025 as extracted from the 2025/26 Interim Report:

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)	As at 31 March 2024 HK\$'000 (audited)
Total assets	652,217	537,329	594,187
– Property, plant and equipment	15,658	3,966	7,055
– Contract assets and trade receivables	393,537	344,295	389,692
– Prepayments, deposits and other receivables	20,806	34,764	44,453
– Cash and bank balances	150,839	96,281	77,467
– Others	71,377	58,023	75,520
Total liabilities	379,222	261,132	315,858
– Trade and retention payables	212,692	148,533	176,184
– Other payables and accruals	155,222	107,216	129,037
– Bank borrowings	2,598	Nil	Nil
– Others	8,710	5,383	10,637
Net assets	272,995	276,197	278,329

The Group's total assets decreased from approximately HK\$594.2 million as at 31 March 2024 to approximately HK\$537.3 million as at 31 March 2025. As advised by the Directors, such decrease was mainly due to decrease in contract assets relating to RMAA works services. The Group's total liabilities also decreased from approximately HK\$315.9 million as at 31 March 2024 to approximately HK\$261.1 million as at 31 March 2025. As advised by the Directors, such decrease was mainly due to decrease in trade payables and accruals relating to RMAA works services.

The Group's total assets and total liabilities as at 30 September 2025 increased by approximately 21.38% and approximately 45.22% respectively as compared to those as at 31 March 2025. As advised by the Directors, (i) such increase in the Group's total assets was mainly due to progress achieved for building construction projects (i.e. completed certain stages of construction which increased contract assets and trade receivables or received payment for completed projects which increased cash and bank balances); and (ii) such increase in the Group's total liabilities was mainly due to progress achieved for building construction projects which caused trade payables and accruals to increase.

The Group's net assets were approximately HK\$278.3 million, approximately HK\$276.2 million and approximately HK\$273.0 million as at 31 March 2024, 31 March 2025 and 30 September 2025 respectively.

Industry overview

As the Group is principally engaged in the provision of building construction services in Hong Kong (the revenue generated from which accounted for approximately 99% and approximately 87% of the Group's total revenue for 1H2025/26 and FY2024/25 respectively), we researched for certain relevant indicators as summarised below:

Set out below are the total receipts of the construction sector and gross surplus of the construction sector in Hong Kong from 2020 to 2024, being the latest five full-year statistics published by the Census and Statistics Department of the government of Hong Kong:

	2024	2023	2022	2021	2020
Total receipts of the construction sector (HK\$' billion) (Note 1)	473.7	450.9	411.1	396.1	391.3
<i>Year-on-year growth rate (%)</i>	5.1	9.7	3.8	1.2	(1.4)
Gross surplus of the construction sector (HK\$' billion) (Note 2)	33.6	35.7	34.7	29.2	37.6
<i>Year-on-year growth rate (%)</i>	(5.9)	3.0	19.0	(22.5)	20.9

Notes:

1. According to the website of the Census and Statistics Department of the government of Hong Kong, total receipts of the construction sector = gross value of construction works performed + other business receipts
2. Gross surplus of the construction sector = total receipts of the construction sector – operating expenses and compensation of employees

As shown in the table above, the total receipts of the construction sector in Hong Kong increased continuously from approximately HK\$391.3 billion in 2020 to approximately HK\$473.7 billion in 2024, representing a compound annual growth rate ("CAGR") of approximately 4.9%.

The gross surplus of the construction sector in Hong Kong decreased from approximately HK\$37.6 billion in 2020 to approximately HK\$29.2 billion in 2021, and recovered to approximately HK\$35.7 billion in 2023. Subsequently, the gross surplus of the construction sector in Hong Kong dropped to approximately HK\$33.6 billion in 2024.

Despite the total receipts of the construction sector in Hong Kong increased continuously from 2020 to 2024 with a CAGR of approximately 4.9%, the gross surplus of the construction sector in Hong Kong (a) fluctuated from 2020 to 2024; and (b) is lower in 2024 as compared to that for 2020.

The aforesaid conditions indicate uncertainty on the prospects of the construction sector in Hong Kong.

(3) Information on the Offeror

With reference to Explanatory Memorandum, the Offeror is a company incorporated in the British Virgin Islands with limited liability and has been the controlling shareholder of the Company since the Listing. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. KY Tsang. As at the Latest Practicable Date, the Offeror holds 600,000,000 Shares, representing 75.0% of the issued share capital of the Company. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will continue to be subsidiaries of the Offeror. As at the Latest Practicable Date, the directors of the Offeror are Mr. KY Tsang, Ms. Lai Yuk Lin Eliza and Mr. Tsang Tsz Ho Boris. Mr. KY Tsang is the chairman of the Board and an executive Director of the Company. Ms. Lai Yuk Lin Eliza is the spouse of Mr. KY Tsang and Mr. Tsang Tsz Ho Boris is the son of Mr. KY Tsang.

(4) Reasons for and benefits of the Proposal

Set out below are the reasons for and benefits of the Proposal, details of which are set out under the section headed “6. Reasons for and Benefits of the Proposal” of the Explanatory Memorandum:

An opportunity for the Scheme Shareholders to realise their investments in the Company at an attractive premium

The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the trading prices of the Shares before the Undisturbed Day (i.e. the Cancellation Price of HK\$0.280 per Scheme Share represents premium of approximately 27.6%, approximately 27.9%, approximately 29.0%, approximately 35.9%, approximately 46.6% and approximately 53.8% respectively over the average closing price per Share as quoted on the Stock Exchange for the 5/10/30/60/180 trading days and one year up to and including the Undisturbed Day), notwithstanding that the Cancellation Price represents a discount of approximately 13.8% to the closing price of the Shares of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day.

Please refer to the following section headed “(5) Cancellation Price” of this letter for our analysis on the Cancellation Price.

Immediate opportunity for the Scheme Shareholders to fully monetise their investments with limited liquidity

The trading liquidity of the Shares has been low. The average trading volume of the Shares for the approximate one-month period, three-month period and six-month period up to and including the Last Trading Day were approximately 566,476 Shares, 574,098 Shares and 324,129 Shares per trading day, representing only approximately 0.07%, 0.07% and 0.04%, respectively, of the 800,000,000 Shares in issue as at the Latest Practicable Date, and approximately 0.28%, 0.29%, and 0.16%, respectively of the 200,000,000 Shares held by the Scheme Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to

execute substantial on-market disposals without adversely affecting the price of the Shares. The Proposal represents an immediate opportunity for the Scheme Shareholders to monetise their investments for cash.

Cost savings through privatisation and limited benefits in maintaining the Company's listing status

The low liquidity in the trading of the Shares has also affected the Company's ability to raise funds from the equity market. The Company has not conducted any equity fund raising activities since the Listing, indicating that its current listing status has not served as an effective fund-raising platform to support the Company's business development and future growth. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements.

We performed a trading liquidity analysis of the Shares for the period from 1 January 2025 up to and including the Latest Practicable Date (the "Shares Review Period") (being approximately one year prior to the Undisturbed Day and up to and including the Latest Practicable Date, which is a commonly adopted period for analysis). The number of trading days per month, average daily number of Shares traded per month, and the respective percentages of the Shares' average daily trading volume as compared to (i) the total number of Scheme Shares as at the Latest Practicable Date; and (ii) the total number of Shares in issue as at the Latest Practicable Date, during the Shares Review Period are tabulated below:

Month	Number of trading days	Average daily trading volume (the "Average Volume") <i>Number of Shares</i>	% of the Average Volume to total number of Scheme Shares as at the Latest Practicable Date <i>(Note 1)</i> <i>Approximate %</i>	% of the Average Volume to total number of Shares in issue as at the Latest Practicable Date <i>(Note 2)</i> <i>Approximate %</i>
2025				
January	19	25,263	0.0126	0.0032
February	20	60,600	0.0303	0.0076
March	21	50,095	0.0250	0.0063
April	19	80,842	0.0404	0.0101
May	20	68,800	0.0344	0.0086
June	21	93,714	0.0469	0.0117
July	22	240,727	0.1204	0.0301
August	21	319,810	0.1599	0.0400
September	22	96,909	0.0485	0.0121
October	20	43,600	0.0218	0.0055

Month	Number of trading days	Average daily trading volume (the "Average Volume") <i>Number of Shares</i>	% of the Average Volume to total number of Scheme Shares as at the Latest Practicable Date <i>(Note 1)</i> <i>Approximate %</i>	% of the Average Volume to total number of Shares in issue as at the Latest Practicable Date <i>(Note 2)</i> <i>Approximate %</i>
November	20	93,800	0.0469	0.0117
December	21	170,476	0.0852	0.0213
2026				
January	21	1,231,619	0.6158	0.1540
February <i>(Note 3)</i>	16	325,000	0.1625	0.0406
March <i>(Note 3)</i>	11	2,538,182	1.2691	0.3173
April	19	1,645,895	0.8229	0.2057
May (up to the Latest Practicable Date)	19	719,158	0.3596	0.0899

Source: The Stock Exchange's website

Notes:

1. Based on 200,000,000 Scheme Shares as at the Latest Practicable Date.
2. Based on 800,000,000 Shares in issue as at the Latest Practicable Date.
3. Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 27 February 2026 (the "Trading Halt") and resumed at 9:00 a.m. on 17 March 2026 (the "Trading Resumption").

As illustrated from the table above, the Average Volume in most of the months during the Shares Review Period (i.e. other than March 2026) was (i) below 1% of the total number of Scheme Shares as at the Latest Practicable Date; and (ii) below 0.3% of the total number of Shares in issue as at the Latest Practicable Date, indicating that the trading liquidity of Shares was thin prior to the publication of the Announcement.

In March 2026, the Average Volume (which might be stimulated by the publication of the Announcement) represented (i) approximately 1.27% of the total number of Scheme Shares as at the Latest Practicable Date; and (ii) approximately 0.32% of the total number of Shares in issue as at the Latest Practicable Date. Such relatively higher liquidity might be stimulated by the publication of the Announcement, which may not sustain in long-term.

Having considered the future prospect of the Group's business operation as detailed under the sub-section headed "Industry overview" above and that:

- (i) the Average Volume in most of the months during the Shares Review Period (i.e. other than March 2026) was (a) below 1% of the total number of Scheme Shares as at the Latest Practicable Date; and (b) below 0.3% of the total number of Shares in issue as at the Latest Practicable Date, representing that the trading liquidity of Shares was thin prior to the publication of the Announcement;
- (ii) the relatively higher liquidity after publication of the Announcement might be stimulated by the publication of the Announcement, which may not sustain in long-term;
- (iii) our analysis on the Cancellation Price as set out below,

we are of the view that the Proposal provides the Independent Scheme Shareholders with an opportunity to realise their investment in the Company for cash without having to suffer any possible illiquidity discount.

(5) Cancellation Price

Price comparison

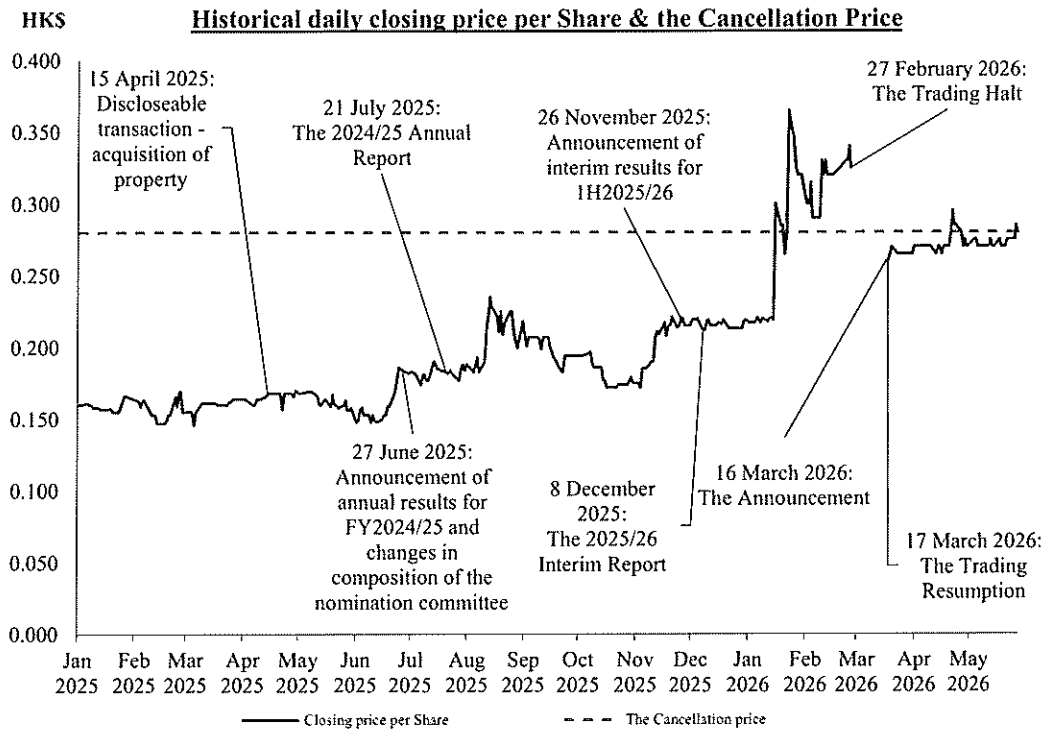
The Cancellation Price of HK\$0.280 per Scheme Share represents:

- (i) a premium of approximately 1.8% over the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 27.9% over the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on the Undisturbed Day;
- (iii) a premium of approximately 27.6% over the average closing price of approximately HK\$0.2194 per Share as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Day;
- (iv) a premium of approximately 27.9% over the average closing price of approximately HK\$0.219 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Day;
- (v) a premium of approximately 29.0% over the average closing price of approximately HK\$0.217 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Day;
- (vi) a premium of approximately 35.9% over the average closing price of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Day;

- (vii) a premium of approximately 46.6% over the average closing price of approximately HK\$0.191 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Day;
- (viii) a premium of approximately 53.8% over the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the period of one year up to and including the Undisturbed Day;
- (ix) a discount of approximately 13.8% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day (the “LTD Discount”);
- (x) a discount of approximately 15.2% to the average closing price of approximately HK\$0.33 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (xi) a discount of approximately 14.4% to the average closing price of approximately HK\$0.327 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day (the “10 Days Discount”);
- (xii) a discount of approximately 7.9% to the average closing price of approximately HK\$0.304 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day (the “30 Days Discount”);
- (xiii) a premium of approximately 7.7% over the average closing price of approximately HK\$0.260 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day (the “60 Days Premium”);
- (xiv) a premium of approximately 31.5% over the average closing price of approximately HK\$0.213 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day (the “180 Days Premium”);
- (xv) a premium of approximately 40.7% over the average closing price of approximately HK\$0.199 per Share as quoted on the Stock Exchange for the period of one year up to and including the Last Trading Day;
- (xvi) a discount of approximately 18.8% to the audited consolidated net asset value (“NAV”) per Share of approximately HK\$0.345 as at 31 March 2025, based on (i) the audited NAV attributable to owners of the Company of approximately HK\$276,197,000 as at 31 March 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date; and
- (xvii) a discount of approximately 17.9% to the unaudited consolidated NAV per Share of approximately HK\$0.341 as at 30 September 2025, based on (i) the unaudited NAV attributable to owners of the Company of approximately HK\$272,995,000 as at 30 September 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date (the “2025 NAV Discount”).

Historical price performance of the Shares

Set out below is a chart showing the movement of the historical daily closing price of the Shares during the Shares Review Period to illustrate the general trend and movement of the closing price of the Shares:



Source: The Stock Exchange's website

Note: Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 27 February 2026 (i.e. the Trading Halt) and resumed at 9:00 a.m. on 17 March 2026 (i.e. the Trading Resumption).

During the Shares Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.146 per Share recorded on 6 March 2025 and HK\$0.365 per Share recorded on 23 January 2026. The Cancellation Price represents (i) a discount of approximately 23.29% to the highest closing price of the Shares; and (ii) a premium of approximately 91.78% over the lowest closing price of the Shares, during the Shares Review Period. In addition, during the Shares Review Period, the Cancellation Price falls within the closing price range of the Shares and is above the daily closing prices of the Shares (i) for all the trading days prior to and including the Undisturbed Day; and (ii) for 299 trading days out of total 332 trading days.

From the beginning of the Share Review Period to 23 June 2025, the closing price of the Shares remained relatively stable and fluctuated between HK\$0.146 per Share and HK\$0.170 per Share. Subsequently, the closing price of the Shares formed an increasing trend and reached HK\$0.228 per

Share on 15 August 2025. Thereafter, the closing price dropped and fluctuated between HK\$0.172 per Share and HK\$0.225 per Share, and recorded at HK\$0.172 on 4 November 2025. Since then, the closing price of the Shares rebounded and reached HK\$0.219 per Share on the Undisturbed Day.

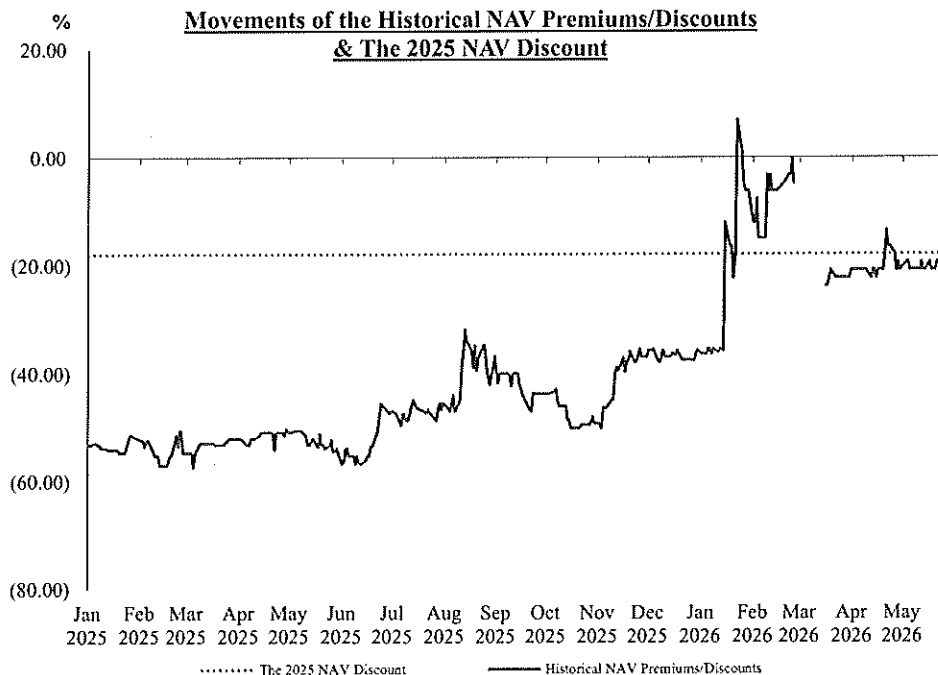
Subsequently, the closing price of the Shares increased sharply and reached the highest of HK\$0.365 per Share on 23 January 2026. Since then, the closing price of the Shares fluctuated between HK\$0.290 per Share and HK\$0.345 per Share, and recorded at HK\$0.325 on the Last Trading Day.

As discussed with the Company, the Company was not aware of any specific factor which caused the aforesaid fluctuation in the closing price of the Shares.

Upon the Trading Resumption on 17 March 2026, the closing price of the Shares fluctuated between HK\$0.260 per Share and HK\$0.295 per Share, and recorded HK\$0.275 as at the Latest Practicable Date.

Historical NAV Discounts

As abovementioned, the Cancellation Price represented a discount of approximately 17.9% (i.e. the 2025 NAV Discount) to the unaudited consolidated NAV per Share of approximately HK\$0.341 as at 30 September 2025, based on (i) the unaudited NAV attributable to owners of the Company of approximately HK\$272,995,000 as at 30 September 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date. Accordingly, we also reviewed the premiums/discounts of the historical daily closing prices of the Shares over/to the then latest prevailing NAV attributable to the owners of the Company per Share (the “Historical NAV Premiums/Discounts”) during the Shares Review Period as set out in the charts below:



Source: The Stock Exchange's website

Notes:

As the Company's interim results announcement for the 1H2024/25 was published after trading hours on 28 November 2024, the Company's annual results announcement for FY2024/25 was published after trading hours on 27 June 2025 and the Company's interim results announcement for 1H2025/26 was published after trading hours on 26 November 2025:

1. The Historical NAV Premiums/Discounts from 1 January 2025 to 27 June 2025 were calculated based on the daily closing prices per Share and the NAV attributable to the owners of the Company per Share as at 30 September 2024 (which is the then latest NAV attributable to the owners of the Company that the market could refer to).
2. The Historical NAV Premiums from 28 June 2025 to 26 November 2025 were calculated based on the daily closing prices per Share and the NAV attributable to the owners of the Company per Share as at 31 March 2025 (which is the then latest NAV attributable to the owners of the Company that the market could refer to).
3. The Historical NAV Premiums from 27 November 2025 to the Latest Practicable Date were calculated based on the daily closing prices per Share and the NAV attributable to the owners of the Company per Share as at 30 September 2025 (which is the then latest NAV attributable to the owners of the Company that the market could refer to).

As illustrated above, the Historical NAV Premiums/Discounts ranged from a discount of approximately 57.31% to a premium of approximately 7.04% during the Shares Review Period (the "**Historical NAV Premiums/Discounts Range**"). The 2025 NAV Discount of approximately 17.9% is (i) within the Historical NAV Premiums/Discounts Range; (ii) above the Historical NAV Premiums/Discounts for 299 trading days out of total 332 trading days during the Shares Review Period; and (iii) above all the Historical NAV Premiums/Discounts prior to and including the Undisturbed Day during the Shares Review Period.

Comparison with comparable companies

To assess the fairness and reasonableness of the Cancellation Price, we conducted trading multiple analysis with price-to-earnings ratio ("PER") and price-to-book ratio ("PBR") (being commonly adopted trading multiples). In this regard, we searched for comparable companies listed on the Main Board of the Stock Exchange which (i) are principally engaged in similar line of business as the Group, being primarily engaged in the provision of building construction services in Hong Kong; (ii) derived more than 50% of their revenue from such business in aggregate for the last full year; (iii) recorded profit attributable to owners of the company for the last full year; and (iv) have market capitalisation of not more than HK\$1 billion as at the Announcement Date, based on their respective then latest published financial information, for comparison.

As the Company is listed on the Main Board of the Stock Exchange and the Group (i) is principally engaged in the provision of building construction services in Hong Kong (the revenue generated from which accounted for approximately 99% and approximately 87% of the Group's total revenue for 1H2025/26 and FY2024/25 respectively); and (ii) the Group's implied market capitalisation (calculated based on the Cancellation Price and the number of Shares in issue as at the Latest

Practicable Date) was approximately HK\$224.00 million, we consider that the aforesaid criteria in identifying comparable companies is fair and reasonable. We found 3 comparable companies listed below which met the aforesaid criteria and they are exhaustive (the "Comparable Companies").

Set out below are the PERs and PBRs of the Comparable Companies based on their closing prices as at the Announcement Date, and their respective then latest published financial information:

Company name (Stock code)	Principal business	Market capitalization as at the Latest Practicable Date (HK\$' million)	PER (Note 1)	PBR (Note 1)
SFK Construction Holdings Limited (1447)	The group is principally engaged in construction and maintenance projects	224.00	8.64	0.66
CR Construction Group Holdings Limited (1582)	The group is principally engaged in building construction works, RMAA works services and environmental operations	202.50	3.26	0.25
Ching Lee Holdings Limited (3728)	The group is principally engaged in providing (i) substructure building works services; (ii) superstructure building works services; and (iii) RMAA works services	63.82	6.77	0.46
	Maximum	224.00	8.64	0.66
	Minimum	63.82	3.26	0.25
	Average	163.44	6.22	0.46
	Median	202.50	6.77	0.46
The Proposal		224.00 (Note 2)	30.33 (Note 3)	0.82 (Note 4)

Source: the Stock Exchange's website

Notes:

- The PERs and the PBRs of the Comparable Companies were calculated based on their respective latest published financial information and their respective closing prices as quoted on the Stock Exchange and total issued shares as at the Announcement Date.

2. The implied market capitalisation of the Company was calculated based on the Cancellation Price and the number of Shares in issue as at the Latest Practicable Date.
3. The implied PER of the Company was calculated based on the Cancellation Price, the profit attributable to owners of the Company for FY2024/25 and the number of Shares in issue as at the Latest Practicable Date.
4. The implied PBR of the Company was calculated based on the Cancellation Price, the NAV attributable to owners of the Company as at 30 September 2025 and the number of Shares in issue as at the Latest Practicable Date.

As depicted in the above table, (i) the implied PER of the Proposal of approximately 30.33 times is above the PER range of the Comparable Companies (ranging from approximately 3.26 times to approximately 8.64 times with average of approximately 6.22 times and median of approximately 6.77 times); and (ii) the implied PBR of the Proposal of approximately 0.82 times is above the PBR range of the Comparable Companies (ranging from approximately 0.25 times to approximately 0.66 times with average of approximately 0.46 times and median of approximately 0.46 times).

Comparison with other privatisation transactions

As the Proposal is a privatisation by way of scheme of arrangement, to further assess the fairness and reasonableness of the Cancellation Price by making reference to the market practices of privatisation transactions by way of scheme of arrangement, we also searched for privatisation transactions by way of scheme of arrangement with cash consideration only as first announced by companies listed on the Stock Exchange from 17 March 2025 (being approximately one year prior to the Announcement Date) to the Latest Practicable Date that has been completed (i.e. obtained the sanction of the scheme by the relevant court) as at the Latest Practicable Date.

We did not include privatisation transactions by way of share buy-back, voluntary general offer and merger by absorption for comparison as their comparability may be affected by the facts that (a) the subject company buy back its shares under privatisation transactions by way of share buy-back instead of an offeror making an offer or initiating a scheme of arrangement; and (b) offeror may have different considerations on pricing under privatisation transactions by way of share buy-back, voluntary general offer and merger by absorption, given that:

- (i) privatisation transactions by way of scheme of arrangement (“**Scheme Privatisation(s)**”) require at least 75% of the votes attaching to disinterested shares to vote for and not more than 10% of the votes attaching to all disinterested shares to vote against, by way of poll by disinterested shareholders either in person or by proxy at court meeting. Offeror has to consider attractiveness of the cancellation price to procure such “voting for” level and avoid such “voting against” level;
- (ii) in respect of privatisation transactions by way of share buy-back (“**Share Buy-back Privatisation(s)**”), in addition to the requirements for approving the resolution regarding the share buy-back offer (i.e. at least 75% of the votes attaching to disinterested shares to vote for and not more than 10% of the votes attaching to all disinterested shares to vote against, by way of poll by disinterested shareholders either in person or by proxy at court meeting), a Share Buy-back Privatisation also requires acceptance level of 90% disinterested shares. Hence, the

subject company in a Share Buy-back Privatisation needs to consider to attract the disinterested shareholders who “would not vote (either vote for or vote against) at court meeting” to voluntarily accept the offer under the Share Buy-back Privatisation. Therefore, the offeror’s pricing consideration under a Share Buy-back Privatisation may be different from that under a Scheme Privatisation;

- (iii) privatisation transactions by way of voluntary general offer (“VGO Privatisation(s)”) require acceptance level of 90% disinterested shares. Unlike the offeror in a Scheme Privatisation, which require at least 75% of the votes attaching to disinterested shares to vote for and not more than 10% of the votes attaching to all disinterested shares to vote against, by way of poll either in person or by proxy at court meeting, the offeror in a VGO Privatization needs to consider to attract the disinterested shareholders who “would not vote (either vote for or vote against) at court meeting” under a Scheme Privatisation to voluntarily accept the offer under the VGO Privatisation. The required percentage for acceptance (i.e. 90%) under a VGO Privatisation is also higher than the required percentage for “voting for” (i.e. 75%) under a Scheme Privatisation. Therefore, the offeror’s pricing consideration under a VGO Privatisation may be different from that under a Scheme Privatisation; and
- (iv) under privatisation transactions by way of merger and absorption, (a) target company usually has more than one class of shares; (b) the transaction may be subject to pre-condition (e.g. governmental approval) which takes a long period to fulfil; and (c) usually, any dissenting shareholder may by written notice request the target companies and/or other shareholders who have approved the transaction to acquire its shares at a “fair price” (no guidance is in place on how the “fair price” will be determined) (the “Dissenting Shareholder Rights”). When considering the cancellation price, offeror has to consider attractiveness from perspective of different classes of shareholders, the uncertainty of the pre-condition and the time value of a longer transaction period. The Dissenting Shareholder Rights may also affect offeror’s consideration on pricing.

We found 8 cases which met the aforesaid criteria (the “Privatisation Cases”) for comparison and they are exhaustive. Shareholders should note that the business and operation of the Group are not the same as those of the subject companies of the Privatisation Cases. Nevertheless, as the objective of this analysis is to compare the Proposal with the market practices of privatisation transactions by way of scheme of arrangement conducted by other Hong Kong listed companies as demonstrated by the Privatisation Cases, the aforesaid differences between the Group and the subject companies of the Privatisation Cases are inconsequential to our analysis.

Details of the Privatisation Cases are set out below:

Company name (Stock code)	Initial announcement date of the privatisation proposal (Note 1)	Premium/(discount)	Premium/(discount)	Premium/(discount)	Premium/(discount)	Premium/(discount)	
		of the cancellation price over average closing price per share for 10 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	of the cancellation price over average closing price per share for 30 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	of the cancellation price over/to average closing price per share for 60 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	of the cancellation price over/to average closing price per share for 180 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	of cancellation price over/to the respective then latest NAV attributable to owners of the company per share %	
OneConnect Financial Technology Co., Ltd. (6638)	15 May 2025	72.3 (Note 2)	80.0 (Note 2)	131.7 (Note 2)	160.7 (Note 2)	223.2 (Note 2)	(12.4)
Perfect Group International Holdings Limited (3326)	9 June 2025	61.3	62.2	58.3	48.7	37.8	(45.3)
Beijing Properties (Holdings) Limited (925)	17 June 2025	250.0	247.4	222.1	200.1	175.1	10.0
Kangji Medical Holdings Limited (9997)	12 August 2025	21.7 (Note 2)	23.3 (Note 2)	20.0 (Note 2)	23.5 (Note 2)	36.1 (Note 2)	286.7 (Note 3)
Hang Seng Bank Limited (11)	9 October 2025	30.3	31.0	33.1	32.8	40.4	70.4
Minmetals Land Limited (230)	23 October 2025	185.7 (Note 2)	184.9 (Note 2)	172.6 (Note 2)	154.7 (Note 2)	150.5 (Note 2)	179.0
Genes Tech Group Holdings Company Limited (8257)	14 November 2025	175.3 (Note 2)	178.4 (Note 2)	178.4 (Note 2)	206.3 (Note 2)	245.1 (Note 2)	3.7
Legend Upstar Holdings Limited (459)	9 December 2025	77.3	80.2	75.2	71.3	69.9	(77.7)
Maximum (excluding outlier(s), if any):		250.0	247.4	222.1	206.3	245.1	179.0
Minimum (excluding outlier(s), if any):		21.7	23.3	20.0	23.5	36.1	(77.7)
Average (excluding outlier(s), if any):		109.2	110.9	111.4	112.3	122.3	18.2
Median (excluding outlier(s), if any):		74.8	80.1	103.4	113.0	110.2	3.7
The Proposal		(13.8) (i.e. the LTD Discount)	(14.4) (i.e. the 10 Days Discount)	(7.9) (i.e. the 30 Days Discount)	7.7 (i.e. the 60 Days Premium)	31.5 (i.e. the 180 Days Premium)	(17.9) (i.e. the 2025 NAV Discount)

Notes:

- The date of Takeovers Code Rule 3.5 announcement.

2. The premium as represented by the cancellation price of the relevant Privatisation Cases (namely, OneConnect Financial Technology Co., Ltd.(stock code: 6638), Kangji Medical Holdings Limited (stock code: 9997), Minmetals Land Limited (stock code: 230) and Genes Tech Group Holdings Company Limited (stock code: 8257)) were calculated based on their respective last full trading day prior to the irregular trading volumes and price movement in the relevant shares as disclosed in the respective initial announcement.
3. We adopted the mean and standard deviation outlier detection method (with two standard deviations) to identify outlier. The premium as represented by the cancellation price of Kangji Medical Holdings Limited (Stock code: 9997) over its then latest NAV attributable to owners of the company per share was exceptionally high as it was more than two standard deviations away from the mean and was considered as outlier. Save for the above, no data was more than two standard deviations away from the mean and considered as outlier.

As depicted in the above table:

- (a) In contrast to the LTD Discount, the cancellation prices of all the Privatisation Cases represented premium over their respective closing prices per share on last full trading day prior to the publication of initial announcement in relation to their respective proposal;
- (b) In contrast to the 10 Days Discount, the cancellation prices of all the Privatisation Cases represented premium over their respective average closing prices per share for 10 trading days up to and including last full trading day prior to the publication of initial announcement in relation to their respective proposal;
- (c) In contrast to the 30 Days Discount, the cancellation prices of all the Privatisation Cases represented premium over their respective average closing prices per share for 30 trading days up to and including last full trading day prior to the publication of initial announcement in relation to their respective proposal; and
- (d) the 60 Days Premium and the 180 Days Premium are lower than the respective minimum premium of the Privatisation Cases.

Nevertheless, having taken into account the following factors from Independent Scheme Shareholders' perspective:

- (i) during the Shares Review Period, the Cancellation Price falls within the closing price range of the Shares and is above the daily closing prices of the Shares (a) for all the trading days prior to and including the Undisturbed Day; and (b) for 299 trading days out of total 332 trading days;
- (ii) the 2025 NAV Discount of approximately 17.9% is (a) within the Historical NAV Premiums/Discounts Range; (b) above the Historical NAV Premiums/Discounts for 299 trading days out of total 332 trading days during the Shares Review Period; and (c) above all the Historical NAV Premiums/Discounts prior to and including the Undisturbed Day during the Shares Review Period; and
- (iii) the implied PER of the Proposal of approximately 30.33 times is above the PER range of the Comparable Companies (ranging from approximately 3.26 times to approximately 8.64 times with average of approximately 6.22 times and median of approximately 6.77 times), and the

implied PBR of the Proposal of approximately 0.82 times is above the PBR range of the Comparable Companies (ranging from approximately 0.25 times to approximately 0.66 times with average of approximately 0.46 times and median of approximately 0.46 times),

we consider the Cancellation Price to be fair and reasonable.

RECOMMENDATION

Having taken into consideration the principal factors and reasons as discussed above, in particular:

- (i) Despite the total receipts of the construction sector in Hong Kong increased continuously from 2020 to 2024 with a CAGR of approximately 4.9%, the gross surplus of the construction sector in Hong Kong (a) fluctuated from 2020 to 2024; and (b) is lower in 2024 as compared to that for 2020. The aforesaid conditions indicate uncertainty on the prospects of the construction sector in Hong Kong;
- (ii) the Independent Scheme Shareholders could seize the opportunity provided by the Proposal to realise their investment in the Company for cash without having to suffer any possible illiquidity discount, after taking into account that:
 - (a) the Average Volume in most of the months during the Shares Review Period (i.e. other than March 2026) was (a) below 1% of the total number of Scheme Shares as at the Latest Practicable Date; and (b) below 0.3% of the total number of Shares in issue as at the Latest Practicable Date, representing that the trading liquidity of Shares was thin prior to the publication of the Announcement;
 - (b) the relatively higher liquidity after publication of the Announcement might be stimulated by the publication of the Announcement, which may not sustain in long-term; and
 - (c) the low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares; and
- (iii) despite that the Cancellation Price represented (a) the LTD Discount of approximately 13.8%; (b) the 10 Days Discount of approximately 14.4%; (c) the 30 Days Discount of approximately 7.9%; and (d) the 2025 NAV Discount of approximately 17.9%, the Cancellation Price is nevertheless fair and reasonable based on our analysis on the Cancellation Price as set out above,

we are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Scheme 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.