



Dividend

No dividend has been declared and paid to the Shareholders during the periods under review. As set out in the letter from the Board, as at the Latest Practicable Date, (i) the Company has not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company does 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).

(ii) Financial position

The following table sets out a summary of the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024, and as at 30 June 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.

	As at 30			
	June	As at 31 December		
	2025	2024	2023	2022
	(unaudited)	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS				
Property and equipment	10,382	6,561	6,938	8,278
Investment properties	905,700	952,900	1,006,800	1,060,500
Trade and other receivables	173,158	114,187	89,638	125,250
Loan receivables	214,367	251,064	333,710	362,370
Cash and cash equivalents	209,947	285,998	219,181	212,785
Other assets	25,668	25,058	35,172	51,341
Total assets	1,539,222	1,635,768	1,691,439	1,820,524
LIABILITIES				
Bank borrowings	234,541	373,044	384,225	449,951
Trade and other payables	194,365	122,156	125,581	165,332
Other liabilities	32,811	29,260	42,160	64,115
Total liabilities	461,717	524,460	551,966	679,398
Equity attributable to equity holders of the Company	1,074,320	1,108,593	1,133,445	1,134,136
Net asset value per Share (Note)	HK\$0.595	HK\$0.614	HK\$0.628	HK\$0.628

Note: Net asset value per Share is calculated by dividing equity attributable to equity holders of the Company by the number of shares in issue as at the end of the respective period/year



Property interests

As at 30 June 2025, the Group had investment properties of approximately HK\$905.7 million, accounting for approximately 58.8% of its total assets. Such investment properties mainly included the Princeton Residence (a serviced apartment), several office and industrial units at LMK Development Estate, Kaiseng Commercial Centre and Ford Glory Plaza, as well as a number of shops across various districts in Hong Kong. The aggregate fair value of the abovementioned investment properties was HK\$835.6 million as at 30 November 2025, as set out in the Property Valuation Report and further discussed in the section below headed “4(e) Property valuation and adjusted net asset value”. As confirmed with the management, the Group has no intention to dispose of its investment properties, as such properties are held for long-term rental income.

Loan receivables

Loan receivables, mainly arising from the Group’s credit business, amounted to approximately HK\$214.4 million as at 30 June 2025. The outstanding loan receivables involved 32 cases with different borrowers, all of which were secured by first mortgage over residential and/or non-residential properties, with an average loan to value ratio of approximately 48%. On the same date, the aggregate amount of loan receivables from the five largest borrowers was approximately HK\$119.6 million, representing approximately 56% of the total sum.

According to the Company’s annual and interim reports, credit risk assessment is performed based on the financial strength and repayment ability of the borrower, the collateral provided, prevailing market and competitive conditions and interest rate environment. Loans advanced by the Group are subject to approval on a case-by-case basis by a credit committee, which comprises members of the senior management who possess expertise in the property and financing fields. Impairment loss on loan of HK\$1.6 million was made for the year ended 31 December 2024, while no impairment loss on loan was made in the first half of 2025.



Cash balances and bank borrowings

As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$209.9 million. On the same date, bank borrowings of the Group were approximately HK\$234.5 million, which were secured by certain investment properties held by the Group and corporate guarantee given by the Company. Approximately HK\$15.0 million (or approximately 6.4% of total sum) of the above balance of bank borrowings were repayable within one year, and approximately HK\$219.5 million were repayable after one year. On the basis of the above cash and borrowing position, the Group had a net debt position of approximately HK\$24.6 million as at 30 June 2025.

As at 30 June 2025, the gearing ratio of the Group, calculated on the basis of the Group's total bank borrowings over total equity of the Group, was approximately 21.8%.

The bank borrowings of the Group remained stable as at 30 November 2025 at approximately HK\$227.7 million as set out in the section headed "3. Statement of Indebtedness" in Appendix I to the Scheme Document.

Equity attributable to equity holders of the Company and net asset value per Share

As at 30 June 2025, equity attributable to equity holders of the Company was approximately HK\$1,074.3 million, equivalent to net asset value per Share of approximately HK\$0.595. Based on the above, the Cancellation Price of HK\$0.133 per Scheme Share represents a discount of approximately 77.65% to the above net asset value per Share, or a price-to-book ("P/B") ratio of approximately 0.22 times.

Please also refer to the section below headed "4(e) Property valuation and adjusted net asset value" for further information on the adjusted net asset value and its use in our evaluation of the Cancellation Price.



(iii) Prospects

Broadly speaking, the Group's principal businesses are closely linked to the non-residential property market, the broader macroeconomic environment and the interest rate environment in Hong Kong. We have evaluated the prevailing situations of the non-residential property market in Hong Kong with reference to the most recently available property quarterly market statistics published by the Rating and Valuation Department of the Government of Hong Kong, as summarised below:

Year/Quarter	Private office		Private retail		Private flatted factories	
	Rental indices (overall)	Price indices (overall)	Rental indices	Price indices	Rental indices	Price indices
2023 Q1	227	474	168	488	215	860
2023 Q2	228	474	170	499	218	862
2023 Q3	229	463	173	493	221	842
2023 Q4	228	442	173	473	221	805
2024 Q1	225	422	169	458	218	761
2024 Q2	221	386	166	435	216	738
2024 Q3	218	365	164	408	216	698
2024 Q4	216	342	161	390	213	675
2025 Q1	214	326	158	381	211	667
2025 Q2	212	314	157	365	211	635
2025 Q3	209	303	157	351	207	606

Note: Indices rebased to the year 1999

From the above table, both prices and rentals for private office, retail and flatted factories in Hong Kong continued to trend downwards from the mid-2023 to the third quarter of 2025. In particular, the price indices of private office, retail and flatted factories declined by approximately 36.1%, 28.1% and 29.5% respectively since the beginning of 2023, underscoring the continuous correction in value of non-residential properties. We note from the commentaries in the Company's 2025 interim report that some signs of improvements are shown, such as the increase in transaction volumes across shops, offices and industrial units in the first half of 2025, but a full recovery is still some way off, and continued to be impacted by cross-border spending by local residents, the structural rise of online shopping, as well as an oversupply of commercial real estate in Hong Kong.



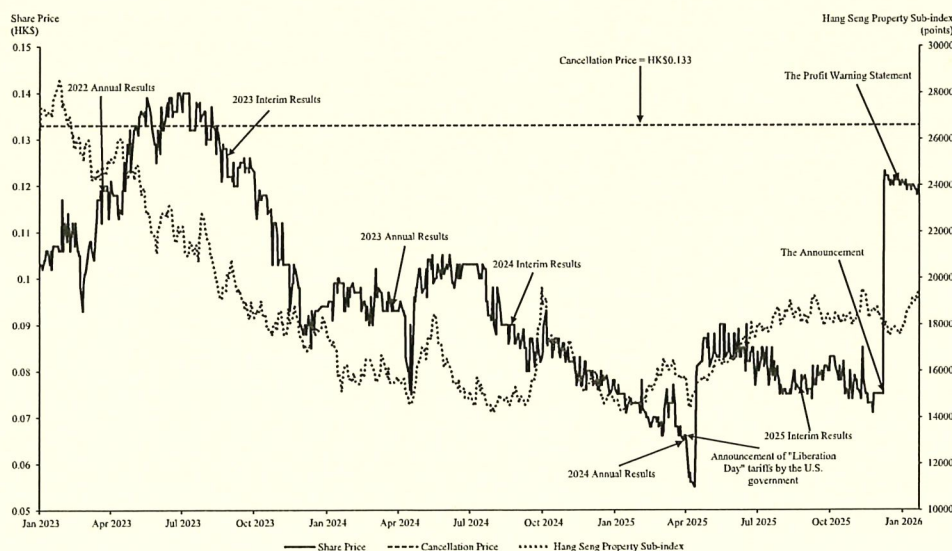
From a macroeconomic environment's perspective, the Hong Kong economy continued to recover in recent years, with real gross domestic product ("GDP") growing by approximately 3.2% and 2.5% in 2023 and 2024 respectively, and further expanding by approximately 3.0% to 3.8% year-on-year in the first three quarters of 2025, driven by a continued surge in exports and sustained expansion in domestic demand. The Hong Kong government has recently revised its GDP growth forecast for 2025 to approximately 3.2%. Separately, after the elevated interest rate environment since late 2022, the United States ("U.S.") federal funds target rate and the Base Rate in Hong Kong trended lower in tandem due to the Hong Kong's linked exchange rate system. The above factors may translate into improvement in market sentiment and lower funding costs, which are expected to support market activities in the non-residential property sector and credit markets, in which the Group's principal business may benefit from.

While the property agency and credit businesses of the Group may remain stable, supported by the factors discussed above, the fair value of the Group's investment properties tends to remain under pressure, as evidenced by the fair value loss on investment properties of approximately HK\$117 million in the first eleven months of 2025. On the basis of the above, we consider that the Group's future operating performance is expected to remain mixed and subject to various uncertainties, depending on Hong Kong's economic growth and the performance of the non-residential property sector.

4. Evaluation of the Cancellation Price

(a) Historical price performance of the Shares

Set out below is the movement of the daily closing prices of the Shares quoted on the Stock Exchange during the period from January 2023 to the Latest Practicable Date (the "Review Period"), and the comparisons between the historical price performance of the Shares and (a) the Cancellation Price of HK\$0.133 per Scheme Share and (b) the movement of Hang Seng Property Sub-index during the Review Period:



Source: Bloomberg

Note: Trading in the Shares was halted with effect from 1:00 p.m. on 3 December 2025, pending the release of the Announcement and subsequently resumed at 9:00 a.m. on 10 December 2025



As shown in the above chart, save for approximately 45 trading days in mid-2023 in aggregate, the Shares have been trading consistently at or below the Cancellation Price of HK\$0.133 during the Review Period.

During 2023, the prices of the Shares fluctuated between HK\$0.085 and HK\$0.140. After reaching a high of HK\$0.140 in between late June and early July 2023, prices broadly trended downward for almost two years, reaching a low in April 2025.

After bottoming out at HK\$0.055 on 14 April 2025, prices of the Shares rallied as market anxiety eased from the announcement of “Liberation Day” tariffs by the U.S. government. The prices of the Shares generally trended upward during the second quarter of 2025, and traded relatively steadily within the range of HK\$0.071 to HK\$0.085 from July to November 2025. Trading in the Shares was halted at noon on 3 December 2025, closing at HK\$0.075 and pending the publication of the Announcement.

The Announcement, including the Cancellation Price of HK\$0.133 per share, was published on 9 December 2025 (after trading hours). The share price surged by approximately 61.3% after the Announcement and closed at HK\$0.121 on 10 December 2025. Since then, the Shares’ price has stayed largely at or above the level of HK\$0.120. At the Latest Practicable Date, the Share price closed at HK\$0.120, representing a discount of approximately 9.77% to the Cancellation Price.

As we consider that the price of the Shares is currently influenced by the terms of the Proposal, if the Proposal fails, other things being equal, there is a likelihood of the share price returning to the levels prevailing before the publication of the Announcement.



(b) Trading liquidity of the Shares

Set out in the table below are the total monthly trading volumes of the Shares and the percentages of such total monthly trading volumes to the total issued Shares and the public float of the Company during the Review Period:

	Total monthly trading volume of the Shares	Percentage of total monthly trading volume to the total issued Shares (Note 2)	Percentage of total monthly trading volume to the public float (Note 3)
2023			
January	8,074,851	0.4%	1.0%
February	8,701,473	0.5%	1.1%
March	13,397,533	0.7%	1.7%
April	15,767,906	0.9%	2.0%
May	20,692,640	1.1%	2.7%
June	30,117,119	1.7%	4.0%
July	3,790,949	0.2%	0.5%
August	5,691,891	0.3%	0.8%
September	4,807,151	0.3%	0.6%
October	2,499,391	0.1%	0.3%
November	4,544,176	0.3%	0.6%
December	2,572,978	0.1%	0.3%
2024			
January	5,925,641	0.3%	0.8%
February	14,264,904	0.8%	1.9%
March	5,104,475	0.3%	0.7%
April	19,892,855	1.1%	2.7%
May	35,517,634	2.0%	5.1%
June	4,114,550	0.2%	0.6%
July	3,048,200	0.2%	0.4%
August	3,247,000	0.2%	0.5%
September	6,773,051	0.4%	1.0%
October	9,559,949	0.5%	1.4%
November	6,000,113	0.3%	0.9%
December	10,141,551	0.6%	1.5%



	Total monthly trading volume of the Shares	Percentage of total monthly trading volume to the total issued Shares (Note 2)	Percentage of total monthly trading volume to the public float (Note 3)
2025			
January	3,178,108	0.2%	0.5%
February	5,405,393	0.3%	0.8%
March	11,133,768	0.6%	1.6%
April	21,008,251	1.2%	3.1%
May	7,404,314	0.4%	1.1%
June	3,088,397	0.2%	0.5%
July	12,940,778	0.7%	1.9%
August	8,376,841	0.5%	1.2%
September	9,266,877	0.5%	1.4%
October	7,184,641	0.4%	1.1%
November	3,079,720	0.2%	0.5%
December	72,336,414	4.0%	10.8%
2026			
From 1 January to the Latest Practicable Date	15,453,471	0.9%	2.3%

Notes:

- (1) Sourced from the Stock Exchange and the Company
- (2) Calculated by dividing the total monthly trading volumes of the total issued Shares by the issued Shares at the end of each month or at the Latest Practicable Date, as applicable
- (3) Calculated by dividing the total monthly trading volumes of the total issued Shares by the public float of the Company at the end of each month or at the Latest Practicable Date, as applicable

As shown in the table above, except for the relatively higher monthly trading in December 2025 following the publication of the Announcement, the monthly trading volumes of the Shares between 2023 and 2025 represented approximately 0.1% to 2.0% of the total issued Shares, equivalent to approximately 0.3% to 5.1% of the Shares constituting the public float of the Company. Taking into account the dollar values of the trading volumes, we do not consider the Shares to be actively traded during the Review Period. If the Disinterested Scheme Shareholders wish to sell a significant number of Shares on the Stock Exchange, they may not be able to dispose of the Shares without a downward pressure on the market price. Consequently, the Proposal represents an opportunity for the Disinterested Scheme Shareholders to exit at a fixed cash price (i.e. the Cancellation Price of HK\$0.133 per Scheme Share), which also represents premiums over the average closing price of the Shares prior to the Announcement, as further discussed in the section below.



In the sub-section below headed “4(c) Comparison of value”, the Cancellation Price is compared against various (average) closing prices of the Shares over a range of periods up to 90 trading days prior to and including the Last Full Trading Day, and a range of resulting premiums is observed. Such premiums represented by the Cancellation Price over the historical prices of the Shares are analysed in conjunction with those of similar privatisation precedents in the sub-section below headed “4(g) Privatisation Precedents”. We note that in the 90 trading days prior to and including the Last Full Trading Day (i.e. from 25 July 2025 to 2 December 2025, the “90-Trading-Day Period”), there were 81 trading days on which there were trading activities, and 9 trading days without trading activities. Although we do not consider the Shares to be actively traded, as analysed in the paragraph above, considering that (i) there were trading activities for a vast majority of the trading days (i.e. 90%) during the 90-Trading-Day Period where Shares changed hands on the Stock Exchange between willing buyers and sellers, and (ii) we did not note any unusual fluctuation in the closing prices of the Shares during the 90-Trading-Day Period, based on the share price chart as presented in the sub-section above headed “4(a) Historical price performance of the Shares”, we are of the view that the comparisons between the Cancellation Price and the historical prices of the Shares represent meaningful analyses for the Disinterested Scheme Shareholders when considering the merits of the Proposal against similar privatisation precedents.

(c) Comparison of value

The Cancellation Price of HK\$0.133 per Scheme Share represents:

- (a) a premium of approximately 77.33% over the closing price of HK\$0.075 per Share as quoted on the Stock Exchange on 2 December 2025, being the Last Full Trading Day;
- (b) a premium of approximately 79.25% over the average closing price of approximately HK\$0.074 per Share as quoted on the Stock Exchange over the 5 trading days up to and including Last Full Trading Day;
- (c) a premium of approximately 80.22% over the average closing price of approximately HK\$0.074 per Share as quoted on the Stock Exchange over the 10 trading days up to and including the Last Full Trading Day;
- (d) a premium of approximately 75.23% over the average closing price of approximately HK\$0.076 per Share as quoted on the Stock Exchange over the 30 trading days up to and including the Last Full Trading Day;



- (e) a premium of approximately 71.28% over the average closing price of approximately HK\$0.078 per Share as quoted on the Stock Exchange over the 60 trading days up to and including the Last Full Trading Day;
- (f) a premium of approximately 71.86% over the average closing price of approximately HK\$0.077 per Share as quoted on the Stock Exchange over the 90 trading days up to and including the Last Full Trading Day;
- (g) a discount of approximately 77.65% to the unaudited consolidated net asset value attributable to the equity holders of the Company of approximately HK\$0.595 per Share as at 30 June 2025 as set out in the section above headed “3(ii) Financial information and prospects of the Group – Financial Position”; and
- (h) a discount of approximately 76.08% to the Adjusted NAV attributable to the Shareholders of approximately HK\$0.556 per Share, calculated based on the Adjusted NAV of approximately HK\$1,004.5 million, after taking into account the valuation of the Group’s property interests as at 30 November 2025, as further elaborated in the sub-section below headed “4(e) Property valuation and adjusted net asset value”.

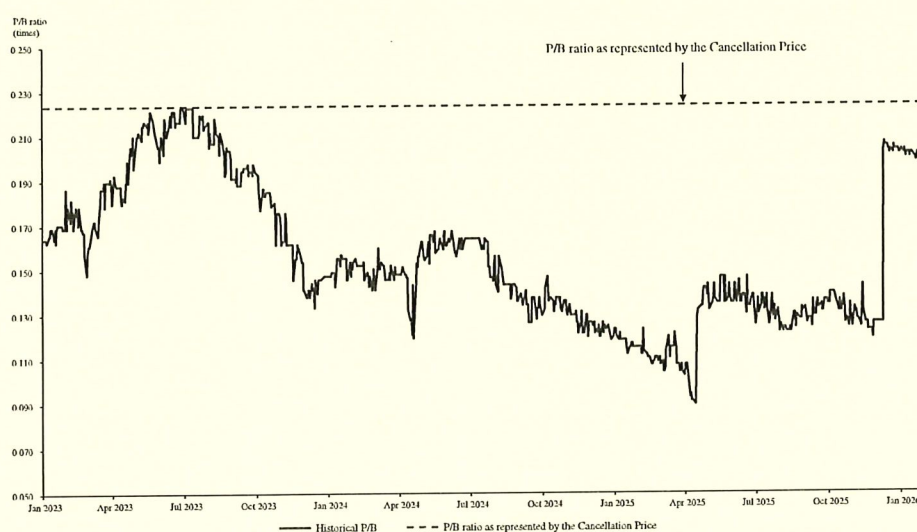
The Cancellation Price of HK\$0.133 per Scheme Share represents a premium of approximately 10.83% over the closing price of HK\$0.120 per Share as quoted on the Stock Exchange on the Latest Practicable Date. As explained above, we consider the market prices of the Shares following the Announcement have been influenced by the Cancellation Price.

In summary, the Cancellation Price per Scheme Share represents premiums of approximately 71.28% to 80.22% over the average closing prices of the Shares for different periods of up to the last 90 trading days prior to publication of the Announcement. The Cancellation Price represents discounts of approximately 77.65% or 76.08% to the Company’s net asset value per Share as at 30 June 2025 and the Adjusted NAV per Share respectively.



(d) Historical discount of market price of the Shares to the net asset value per Share

As mentioned above, the Cancellation Price of HK\$0.133 per Scheme Share represents a discount of approximately 77.65% to the Company's net asset value per Share as at 30 June 2025. While this is the case, we note that the historical prices of the Shares had been trading significantly below its net asset value during the Review Period. We have compared the P/B ratio of approximately 0.2235 times (1 – 77.65%) as represented by the Cancellation Price with the movement of P/B ratios of the Company during the Review Period as follows:



Notes:

- (1) The historical P/B ratio is calculated based on the closing price per Share on the respective days and the then consolidated net asset value attributable to the equity shareholders of the Company per Share as at the preceding year/period end*
- (2) The closing price per Share on the respective days sourced from Bloomberg*

As shown in the chart above, the historical P/B ratios of the Company ranged from approximately 0.0896 times to 0.2228 times (or discounts of approximately 77.72% to 91.04% to net assets) during the Review Period before the publication of the Announcement, lower than the P/B ratio of the Company as represented by the Cancellation Price of approximately 0.2235 times at all times during this period. In particular, the closing price of the Shares of HK\$0.075 on the Last Full Trading Day represented a P/B ratio of approximately 0.1261 times (or a discount of approximately 87.39% to net assets), representing roughly one-eighth of the Group's net asset value per Share. The significant discounts of market price to the Group's net asset value may be in part due to, for example, the continued net losses of the Group and/or the low trading liquidity of the Shares, as explained in the sections above. The recent increase in P/B ratio is largely due to the increase in Share price following publication of the Announcement.



(e) *Property valuation and adjusted net asset value*

Property valuation

In evaluating the Proposal, we have reviewed the adjusted net asset value based on the Company's 2025 interim report and the adjustments relating to the revaluation deficit arising from the latest valuation of the Group's property interests.

The Property Valuer was engaged by the Company to derive at an appraised value of the property interests of the Group, all of which represents the Group's investment properties, and all of which are completed properties. The aggregate value of the properties as appraised by the Property Valuer was HK\$835.6 million as at 30 November 2025. Details of the valuation are set out in the Property Valuation Report set out in Appendix II to the Scheme Document. The valuation has been prepared in compliance with, among others, the requirements contained in Chapter 5 of the Listing Rules, Rule 11 of the Takeovers Code and the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors.

The market value of the Group's property interests in existing state may be analysed as follows:

Market value in existing state as at 30 November 2025	
<i>HK\$'000</i>	
Serviced apartment	322,000
Industrial and office premises	300,700
Shops	206,100
Carpark	6,800
	<hr/>
	835,600

Based on the above table, the Group's serviced apartment in North Point, namely Princeton Residence, is the Group's largest investment property in its portfolio as at 30 November 2025, in terms of market value. The Group also owned certain industrial and office premises, shops, and to a smaller extent, carpark spaces, across different locations in Hong Kong.



We have reviewed the Property Valuation Report and discussed with the Property Valuer methodologies of, and bases and assumptions adopted, for the valuations and adjustments made to arrive at the valuation of the Group's property interests. In arriving at the valuation, the Property Valuer mainly adopted the direct comparison method, and adopted the income capitalisation method for cross-reference purpose where necessary. As advised by the Property Valuer, both the direct comparison method and the income capitalisation method are commonly used valuation methodologies for assessing values of non-residential properties in Hong Kong. Under the direct comparison method, the Property Valuer compared the property to be valued directly with other comparable properties, which have recently transferred their legal ownership, and applied appropriate adjustments to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. Under the income capitalisation method, the Property Valuer arrived at the subject property's value by capitalising the net income potential by adopting appropriate capitalisation rate, which is derived from the analysis of sale transactions and the Property Valuer's interpretation of prevailing investor requirements or expectations, and the market rents adopted made reference to lettings of comparable premises.

The Property Valuer also assessed the Group's investment properties as at 31 December 2024 and 30 June 2025. In this connection, the Property Valuer has confirmed that the same valuation methodology for each property used in such past valuations has been consistently adopted in the Property Valuation Report. We concur with the Property Valuer that the direct comparison method as adopted as the primary valuation methodology, as the Property Valuer has obtained sufficient comparable sales transaction and information for each of the properties being assessed under the direct comparison method.

The market value of the Group's property interests as at 30 November 2025 of HK\$835.6 million was approximately 7.7% lower than that as at 30 June 2025 of approximately HK\$905.7 million. As advised by the Property Valuer, the commercial real estate market, including office and retail premises, remained challenging in 2025, and was further dampened by the difficulties for the potential purchasers to obtain financing from financial institutions, given that certain financial institutions were actively lowering relevant risk exposure on non-performing commercial real estate loans by selling the mortgaged premises.