Gram Capital Limited
嘉林資本有限公司

10 September 2026

To: The independent board committees and the independent shareholders of Fineland Living Services Group Limited

Dear Sir/Madam,

CONNECTED TRANSACTION AND SPECIAL DEAL IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders in respect of the Share Subscription and the Special Deal, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 10 September 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Acquisition and the Offer

On 7 July 2026 (after trading hours), the Offeror entered into a Share Purchase Agreement with the Sellers for the conditional acquisition of a total of 200,044,000 Shares, representing approximately 50.01% of the total issued Shares at HK$0.14 per share, for a total consideration of HK$28,006,160. Upon Acquisition Completion, Altus Investments Limited will make, for and on behalf of the Offeror, the Offer to acquire all the Offer Shares at HK$0.14 in cash for each Offer Share, being the same price paid under the Share Purchase Agreement.

The Share Subscription and the Warrant Subscription

On 27 July 2026 (after trading hours), the Company and the Share Subscribers (one of which is the Offeror) entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to issue and allot, and the Share Subscribers have conditionally agreed to subscribe for the Subscription Shares at the Share Subscription Price of HK$0.14 per Subscription Share for a maximum consideration of HK$51,800,000 in cash.

On 27 July 2026 (after trading hours), in consideration of the Warrant Subscriber's contribution and involvement as a consultant and facilitator in negotiations which have culminated in the Share Subscription (which will provide new capital to the Company), the Company and the Warrant Subscriber entered into the Warrant Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Warrant Subscriber has conditionally agreed to subscribe for 77,000,000 Warrants.

With reference to the Board Letter:

(i) Acquisition Completion will only take place after the satisfaction or (if capable of being waived) waiver of the conditions precedent under the Share Purchase Agreement. After Acquisition Completion, the Composite Document will be despatched in accordance with the Takeovers Code and the Offer will be open for acceptances by the Offer Shareholders. After the close of the Offer, and subject to the satisfaction or (if capable of being waived) waiver of the conditions precedent under the Share Subscription Agreement and the Warrant Subscription Agreement, the Share Subscription Completion will take place, followed by the Warrant Subscription Completion.

(ii) The Offeror is deemed to be a connected person of the Company pursuant to Rule 14A.20 of the Listing Rules and the Share Subscription is a connected transaction of the Company which is subject to announcement, reporting and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(iii) As the Share Subscription is a special arrangement available to the Share Subscriber III (which, together with its sole beneficial owner, is directly interested in approximately 2.90% of the total issued Shares as at the Latest Practicable Date) only and not offered to all Shareholders, the Share Subscription constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror has made an application to the Executive for consent in relation to the Special Deal. The Executive's consent, if granted, will normally be conditional upon the Independent Financial Adviser confirming to the Independent Board Committee that the terms of the Special Deal are fair and reasonable, and the passing of an ordinary resolution by the Independent Shareholders at a general meeting of the Company to approve the Special Deal.

The Independent Board Committee comprising of all the independent non-executive Directors who have no direct or indirect interest in the Share Purchase Agreement, Share Subscription and Special Deal, namely Mr. Tian Qiusheng, Mr. Leung Wai Hung and Mr. Du Chenhua, advise the Independent Shareholders on the Share Subscription and the Special Deal. We, Gram Capital Limited, have been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

INDEPENDENCE

During the past two years immediately preceding the date of the Announcement (i.e. 28 July 2026) up to and including the Latest Practicable Date, there was no relationship, connection or interests between Gram Capital and (i) the Company, the Sellers, the Share Subscribers and the Offeror Concert Parties; and (ii) any directors, subsidiaries, holding companies or substantial shareholders of the Company, the Sellers, the Share Subscribers and the Offeror Concert Parties, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of Gram Capital's advice and to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and Gram Capital was not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, the Sellers, the Offeror Concert Parties or the Share Subscribers. As such, we are of the view that we are independent to act as the Independent Financial Adviser pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular 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 Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Share Subscription and the Special Deal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules and Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the section headed "1. RESPONSIBILITY STATEMENT" of Appendix I to the Circular. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, 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 Sellers, the Offeror, the Share Subscribers or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Share Subscription and the Special Deal. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. The Shareholders will be notified of any material changes in (i) our opinion and recommendation; and (ii) the information provided to us that we based upon to make form our opinion and recommendation, as soon as possible in accordance with Rule 9.1 of the Takeovers Code. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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 from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

I. BACKGROUND OF AND REASONS FOR THE TRANSACTIONS

Information on the Group

With reference to the Board Letter, the Group is principally engaged in the provision of professional property management services and value-added services for residential and non-residential properties in the PRC. Over the past few years, as part of the Company's business strategy, the Company has progressively wound down its real estate agency operations and such operations now only represent a minimal part of the Group's overall business, with its scope refined to align with the current strategic focus.

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

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

31 December 2025 (the "**2025 Annual Report**") and the Company's interim report for the six months ended 30 June 2026 (the "**2026 Interim Report**"):

	For the six months ended 30 June 2026 ("1H2026") *RMB'000* *(unaudited)*	For the six months ended 30 June 2025 ("1H2025") *RMB'000* *(unaudited)*	Year on year change %	For the year ended 31 December 2025 ("FY2025") *RMB'000* *(audited)*	For the year ended 31 December 2024 ("FY2024") *RMB'000* *(audited)*	Year on year change %
Revenue	160,912	168,431	(4.46)	350,756	369,101	(4.97)
— *Real estate agency services*	Nil	692	(100.00)	719	6,753	(89.35)
— *Property management services*	160,912	167,739	(4.07)	350,037	362,348	(3.40)
Gross profit	33,293	33,431	(0.41)	59,497	59,266	0.39
Profit/(loss) for the year/period	5,010	(6,520)	N/A	(71,461)	(79,325)	(9.91)
Profit/(loss) attributable to owners of the Company	8,391	(5,999)	N/A	(52,480)	(76,931)	(31.78)

	As at 30 June 2026 *RMB'000* *(unaudited)*	As at 31 December 2025 *RMB'000* *(audited)*	As at 31 December 2024 *RMB'000* *(audited)*	Change from 31 December 2025 to 30 June 2026 %	Change from 31 December 2024 to 31 December 2025 %
Total assets	298,058	299,948	366,742	(0.63)	(18.21)
— Intangible assets	37,418	40,189	57,621	(6.89)	(30.25)
— Trade receivables	70,519	76,772	83,956	(8.14)	(8.56)
— Related party receivables	22,512	26,974	39,786	(16.54)	(32.20)
— Deposits, prepayments and other receivables	68,654	51,823	57,847	32.48	(10.41)
— Bank balances and cash	64,278	69,175	64,765	(7.08)	6.81
— Other assets	34,677	35,015	62,767	(0.97)	(44.21)
Total liabilities	287,554	293,555	281,018	(2.04)	4.46
— Trade payables	70,159	74,162	74,466	(5.40)	(0.41)
— Contract liabilities	61,462	75,504	52,978	(18.60)	42.52
— Accruals and other payables	131,156	130,045	131,321	0.85	(0.97)
— Tax payable	8,419	2,675	11,690	214.73	(77.12)
— Other liabilities	16,358	11,169	10,563	46.46	5.74
Net current liabilities	(49,377)	(61,425)	(28,015)	(19.61)	119.26
Equity attributable to owners of the Company	(11,782)	(20,493)	34,055	(42.51)	N/A

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

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

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

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

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

The Company recorded profit attributable to owners of the Company of approximately RMB8.4 million for 1H2026 as opposed to loss attributable to owners of the Company of approximately RMB6.0 million for 1H2025. With reference to the 2026 Interim Report, such turnaround from loss-making to profit-making was mainly due to the significant decrease in net impairment losses on financial assets for 1H2026.

The Group's total assets decreased by approximately 18.21% from approximately RMB366.7 million as at 31 December 2024 to approximately RMB299.9 million as at 31 December 2025, and remained at similar level at approximately RMB298.1 million as at

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Non Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

30 June 2026. The Group's assets primarily consisted of intangible assets, trade receivables, deposits prepayments and other receivables, amount due from related parties, restricted bank balances, and bank balances and cash.

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

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

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

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

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

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

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

(i) the Group recorded loss of approximately RMB71.5 million for FY2025; and the Group's current liabilities exceeded its current assets by approximately RMB61.4 million as at 31 December 2025;

(ii) while the Group recorded profit of approximately RMB5.0 million for 1H2026, the Group's current liabilities exceeded its current assets by approximately RMB49.4 million as at 30 June 2026.

These conditions indicated the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern (the "**Going Concern Uncertainty**"). Although the Going Concern Uncertainty did not result in a modification of opinion expressed by the Company's auditor on the Group's consolidated financial statements for FY2025, the Company's auditor had nevertheless drawn attention in their report regarding the Going Concern Uncertainty.

With reference to the 2026 Interim Report, in respect of the Group's property management services, the Group continued to introduce information technology and digital tools across its operational spectrum during 1H2026. AI-powered surveillance system and smart parking management solutions were put into operation, effectively enhancing on-site service efficiency. Concurrently, the hotline services and dedicated

WeChat enterprise communication groups facilitated direct online service access, while transparent management practices further strengthened owners' trust. Through active participation in community building initiatives, the Company successfully secured two new projects after 1H2026 as emergency services provider, creating a virtuous cycle between brand building and market development. Moving forward, the Group remains committed to a strategy of steady growth, actively addressing market challenges while seizing opportunities in the property management industry. The Group will continue to deliver high-quality services to its customers and create greater value for the Shareholders.

Information on the Share Subscribers

With reference to the Board Letter:

(i) The Share Subscriber I (i.e. the Offeror) is Yoncan Co., Ltd., a company incorporated in the British Virgin Islands with limited liability, whose principal business is investment holding. As at the Latest Practicable Date, the Share Subscriber I is wholly and beneficially owned by Mr. Gong, who is also the sole director of the Share Subscriber I. Mr. Gong is currently the Chairman of Jiangsu Ruihong Network Technology Co., Ltd.* (江蘇睿鴻網路技術股份有限公司), the shares of which were previously quoted on the National Equities Exchange and Quotations (NEEQ) of the PRC (ticker: 873920). Jiangsu Ruihong Network Technology Co., Ltd., through its subsidiaries, is principally engaged in developing "cloud + network convergence" service solutions, including content delivery network (CDN), cloud distribution, multi-cloud management, cloud security and cloud migration services, which are applied across industries such as fintech, e-commerce and intelligent manufacturing. In addition, the company also integrates artificial intelligence into its cloud platforms to enable enterprise clients to build or adopt artificial intelligence assistance running on local servers for enhanced data protection. Mr. Gong does not have any prior experience in the provision of professional property management services.

(ii) The Share Subscriber II is YSTEM Overseas Limited, a company incorporated in the British Virgin Islands with limited liability, whose principal business is investment holding. As at the Latest Practicable Date, the Share Subscriber II is wholly and beneficially owned by Mr. Deng Han. Mr. Deng Han has 16 years of strategic advisory and private equity experience.

(iii) The Share Subscriber III is Beaming Light Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, whose principal business is investment holding. As at the Latest Practicable Date, the Share Subscriber III is directly and wholly owned by Mr. Chen Xi as the beneficial owner, and the Share Subscriber III, together with Mr. Chen Xi, is directly interested in a total of 11,596,000 Shares. Mr. Chen Xi is the vice president of

Fineland Group, with responsibility for financial management matters. Mr. Chen Xi is an employee of a member of the Fineland Group and also a director of certain members of the Fineland Group (not being members of the Mansion Green Holding Companies). The Fineland Group comprises Fineland Group Holdings and its subsidiaries and associates (for the avoidance of doubt, excluding the Group) and Fineland Group Holdings is indirectly and wholly owned by Mr. Fong as the ultimate beneficial owner.

Reasons for and benefits of the Share Subscription and use of proceeds

With reference to the Board Letter:

(i) Over the past few years, as part of the Company's business strategy, the Company has progressively wound down its real estate agency operations and such operations now only represent a minimal part of the Group's overall business, with its scope refined to align with the current strategic focus.

(ii) Similar to other companies in the PRC property management sector, the Company has been negatively affected by recent events affecting the PRC real estate sector. Since mid-2021, sales of residential properties in China slowed significantly and a number of Chinese property developers began to experience difficulties in securing external financing. The property service industry, which is closely linked to the performance of the real estate sector, has also experienced downward pressure.

(iii) Over the past three financial years, the Company recorded declining revenue and accumulated net losses of approximately RMB207.9 million. Impairment losses on financial assets continued to be a major driver of the Company's losses, which was primarily attributable to the provision for impairment losses on trade receivables and amounts due from related parties (including former fellow subsidiaries/related companies) as a result of factors including the continued downward movement in the real estate industry and challenging economic conditions and recovery of trade receivables and amounts due from related parties continued to be slow. The declining financial performance of the Group resulted in the negative equity position (attributable to owners of the Company) amounting to approximately RMB20.493 million as at 31 December 2025.

(iv) During FY2025, the Company faced mounting liquidity pressure and its net current liabilities reached approximately RMB61.425 million and the gearing ratio went up to 98% as at 31 December 2025. With a view to mitigating the liquidity pressure, the Company has been taking actions such as negotiating repayment of its liabilities and implementing policies to monitor cash flows through cutting costs and capital expenditure.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

(v) Following efforts to explore fundraising alternatives by the Company and with the Warrant Subscriber being the facilitator, the Company has reached an agreement with the Offeror, who was interested in investing in the Company through the Acquisition and Share Subscription, alongside the Share Subscriber II and the Share Subscriber III. It is expected the Share Subscription will improve the financial position of the Company and the Group will be in a better position to revive its operational and financial performance in the long run.

As further advised by the Directors, Mr. Chen Xi, in his capacity as vice president of Fineland Group, was involved in discussions relating to the Acquisition. Through such involvement, he became aware of the Share Subscription and subsequently expressed an interest in subscribing for the Subscription Shares in his personal capacity as an investor. Mr. Chen Xi is independent of the other Share Subscribers and the Warrant Subscriber. Given the confidential nature of the Share Subscription, the Company did not approach other Shareholders regarding the participation in the Share Subscription.

Having considered the Group's financial information as set out in the sub-section headed "Information on the Group" above, in particular, (i) the Group's loss for FY2024 and FY2025; (ii) the Group's net current liabilities as at 31 December 2024, 31 December 2025 and 30 June 2026; (iii) the negative equity attributable to owners of the Company as at 31 December 2025 and 30 June 2026; and (iv) Going Concern Uncertainty, we consider that it is necessary for the Group to seek opportunities to improve such financial positions.

Financing alternatives

With reference to the Board Letter, prior to entering into the Share Subscription Agreement, the Board considered fund-raising alternatives such as equity financing (such as rights issues, open offers and placing of new Shares to independent third parties) and external debt financing. Having conducted an internal assessment of the Company's financial position, market conditions and available financing options, the Board concluded that none of these alternatives was commercially practicable or capable of meeting the Company's funding needs in a timely manner.

Based on our analysis on the Group's financial information as detailed under the sub-section headed "Information on the Group" above, in particular (i) the composition of the Group's assets; (ii) the Group's net current liabilities as at 31 December 2024, 31 December 2025 and 30 June 2026; (iii) the negative equity attributable to owners of the Company as at 31 December 2025 and 30 June 2026; and (iv) the Group's gearing ratio of 98% and 96% as at 31 December 2025 and 30 June 2026 respectively, we are of the view that (i) the Group lack substantial assets to be placed as collateral to secure debt financing; and (ii) debt financing would result in additional interest burden and further increase the Group's gearing ratio. As such, we consider that debt financing is not an optimal financing alternative for the Group.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

In respect of other equity funding-raising method such as rights issue or open offer which are available to existing Shareholders; or placing of new Shares, we understood from the Company that given the Group's financial position, it would be (i) difficult to procure underwriter and, without underwriter, the results of rights issue, open offer or placing of Shares would be highly uncertain; and (ii) difficult to procure investors for placing of shares. In addition, the dilution effect of a placing exercise (with similar fund-raising size and issue price with the Share Subscription) on the shareholding interest of existing Shareholders would be similar with that of the Share Subscription.

For our due diligence purpose, we searched for, on an exhaustive basis, rights issue and open offer conducted by other Hong Kong listed companies on a non-underwritten basis that were completed during the period from 1 February 2026 (being approximately six months prior to the date of the Announcement) up to the Latest Practicable Date. We noted that (i) there were no open offer conducted by Hong Kong listed companies during the said period; (ii) among the 43 completed rights issue transactions identified during the said period, (a) only 4 of which were oversubscribed; (b) 26 of which were undersubscribed by approximately 50% to 99%; and (iii) the completion of these rights issue transactions took place in around two to seven months from the date of the initial announcement.

In view of the (i) the Group's loss for FY2024 and FY2025; (ii) the Group's net current liabilities as at 31 December 2024 and 31 December 2025; (iii) the negative equity attributable to owners of the Company as at 31 December 2025; (iv) Going Concern Uncertainty, we concur with the Company's view that it would be difficult for the Company to conduct placing of Shares, rights issue or open offer on an underwritten basis. Furthermore, it would be difficult to procure investors for placing of shares and the dilution effect of a placing exercise (with similar fund-raising size and issue price with the Share Subscription) on the shareholding interest of existing Shareholders would be similar with that of the Share Subscription. Having also considered our research on recently completed non-underwritten rights issue transactions conducted by other Hong Kong listed companies, in particular the time required (ranging from two to seven months) and certainty of the result (majority of the completed rights issue were under-subscribed by at least 50%), we are of the view that placing of Shares, rights issue and open offer are not optimal financing alternatives for the Group.

Although the number of Shares to be issued to the Share Subscriber I is subject to downward adjustment in the case where the Company failed to maintain a public float of not less than 25% immediately following the close of the Offer (as detailed below), which may affect the actual proceeds to be raised from the Share Subscription, we consider the Share Subscription is nevertheless an appropriate fund-raising method given that (i) there is no certainty on the amount of proceeds the Company could raise from other equity financing method given the Group's financial performance and position; and

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
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(ii) the Share Subscriber I will discuss with the Company alternative ways to provide financing to the Group in the event the number of Subscription Shares to be allotted and issued to the Share Subscriber I is downward adjusted.

In light of the above, we consider that the Share Subscription is appropriate fund-raising method currently available to the Group.

Use of proceeds

With reference to the Board Letter, assuming full subscription, the net proceeds (after deducting relevant costs and expenses) from the Share Subscription will be approximately HK$49,500,000 (the "**Net Proceeds**") and will be primarily used to repay the Group's outstanding liabilities (owed to third parties which are not Shareholders) and supplement the Group's general liquidity (the "**Intended Uses**"), including:

(i) approximately 50% for settlement of trade and other related payables, mainly comprising amounts due to service providers engaged by the Group in the provision of security, cleaning, gardening and maintenance services, etc.;

(ii) approximately 20% for repayments of deposits and property management fees received in the ordinary course of business, mainly including renovation deposits from property owners or tenants and performance deposits from suppliers, as well as property management fees received in advance that may become refundable under certain circumstances; and

(iii) approximately 30% for general working capital, including but not limited to payment of staff costs, administrative expenses and procurement of supplies required for the Group's business operations, to maintain sufficient financial flexibility for the Group's day-to-day operations.

In the event the number of Subscription Shares to be allotted and issued to the Share Subscriber I is adjusted due to insufficient public float, the Share Subscriber I will discuss with the Company alternative way(s) to provide financing to the Group (including but not limited to unsecured shareholder's loan(s)) for an amount up to the product of (i) the Share Subscription Price and (ii) the difference between 247,600,000 (being the maximum number of Subscription Shares for the Share Subscriber I) and the actual number of Subscription Shares allotted and issued to the Share Subscriber I. In the event that such alternative financing is not obtained from the Share Subscriber I, the Group will apply the reduced net proceeds to the above purposes on a pro-rata basis.

We noted from the 2026 Interim Report and understood from the Directors that, as at 30 June 2026, (i) the Group's trade payables were approximately RMB70.2 million, among which approximately RMB51.4 million were outstanding for less than one year and approximately RMB18.8 million were outstanding for over one year; (ii) the Group's accruals and other payables were approximately RMB131.2 million, including deposits received of approximately RMB40.6 million which primarily represented renovation deposits from property owners or tenants and performance deposits from suppliers in relation to property management services; and (iii) the Group's contract liabilities were approximately RMB61.5 million, primarily represented consideration received in advance from customers for property management services to be provided by the Group.

We noted from the Board Letter that the Group intends to prioritise the settlement of those outstanding payables which have been outstanding for more than one year as the deferred repayment deadline for such payables tends to be more imminent given the time elapsed from the original due date. Although the allocated proceeds for the settlement of trade and other related payables are insufficient to fully settle the Group's outstanding payables, it would nevertheless strengthen the Group's financial position for the Group to have better deployment of its cash resources. The Company has also engaged in active negotiations with the suppliers for deferred payment arrangements, which allows greater flexibility on repayment timeline notwithstanding some of the payables have already been overdue.

As at 30 June 2026, the Group's bank balances and cash (including restricted bank balances) was approximately RMB66.7 million. We understood from the Directors that (i) the Group is required to retain cash for sustaining its daily operations (which we consider to be reasonable as the Group's operations require procurement of supplies and administrative expenses (including staff cost)); and (ii) the Group intends to settle the remaining outstanding payables by ways of internal resources (including cash generated from the Group's day-to-day operations) as the Group's financial position and cash flow improve.

We further enquired into the Directors and we understood that the Group is required from time to time to (i) repay the deposits upon completion of the relevant property management projects and the confirmation of the compliance with the applicable requirements; and (ii) refund the unfulfilled consideration for property management services received in advance upon early termination or adjustment of the property management arrangement, and such arrangement is in line with the market and industry practice. As noted from the Board Letter, the Company expects to utilise the proceeds allocated to the repayments of deposits and property management fees received in advance within two years following the Share Subscription Completion. For our due diligence purpose, we obtained from the Company historical record on the Group's repayment of such deposits and fees from January 2025 to June 2026. Based on the average monthly repayment amount from January 2025 to June 2026, we consider the proceeds allocated to the repayments of deposits and property management fees received in advance within two years following the Share Subscription Completion to be reasonable.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
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Given the above, we consider that the Net Proceeds would (i) improve the Group's gearing ratio and overall financial position by reducing the Group's trade payable balance; and (ii) improve the Group's overall liquidity in the event where the Group is notified to repay the performance deposits or refund the unfulfilled consideration for property management services.

In respect of the allocation of net proceeds to general working capital, we noted from the 2025 Annual Report that the Group had incurred (i) administrative expenses of approximately RMB47.5 million and RMB40.3 million for FY2024 and FY2025 respectively; and (ii) employee benefit expenses of approximately RMB150.6 million and RMB140.1 million for FY2024 and FY2025 respectively. We concur with the Directors that the allocation of the Net Proceeds as to 30% for general working capital would support the Group's day-to-day operations.

Given the aforesaid, in particular, the net proceeds from the Share Subscription is intended to improve the Group's financial position and cash flow, we are of the view that the Intended Uses are appropriate.

Having considered (i) reasons for the Share Subscription as mentioned above; (ii) the Share Subscription is appropriate fund-raising method currently available to the Group; and (iii) the Net Proceeds would improve the Group's financial position and the Intended Uses are appropriate, we are of the view that although the Share Subscription is not conducted in the ordinary and usual course of business of the Group, it is in the interest of the Company and the Shareholders as a whole.

II. PRINCIPAL TERMS OF THE SHARE SUBSCRIPTION AGREEMENT

Set out below is a summary of the principal terms of the Share Subscription under the Share Subscription Agreement, details of which are set out in the section headed "The Share Subscription Agreement" of the Board Letter.

Agreement date: 27 July 2026

Parties:

(a) Issuer: the Company

(b) Subscriber: the Share Subscribers

(i) The Offeror (i.e. the Share Subscriber I) for up to 247,600,000 Subscription Shares.

(ii) The Share Subscriber II for up to 76,200,000 Subscription Shares.

(iii) The Share Subscriber III for up to 46,200,000 Subscription Shares.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

Subscription Shares:	The maximum number of Subscription Shares (being 370,000,000 Shares) represents 92.50% of the total issued Shares as at the Latest Practicable Date and approximately 48.05% of the total issued Shares as enlarged by the allotment and issue of the maximum number of Subscription Shares (assuming there is no other change in the total issued Shares from the Latest Practicable Date to the Share Subscription Completion). In the event the allotment and issue of the maximum number of Subscription Shares to any Share Subscriber will cause the public float of the Company to fall below 25%, the Company and the Share Subscribers will negotiate in good faith appropriate downward adjustment(s) to determine the final number of Subscription Shares to be allotted and issued to the relevant Share Subscriber such that the public float of the Company will not fall below 25% immediately after the Share Subscription Completion, provided the Offeror will hold no less than 55% of the total issued Shares as enlarged by the allotment and issue of the final number of Subscription Shares. For the avoidance of doubt, there will be no adjustment to the final number of Subscription Shares if the allotment and issue of the maximum number of Subscription Shares will not cause the public float of the Company to fall below 25% immediately after the Share Subscription Completion.
Share Subscription price:	HK$0.14 per Subscription Share
Ranking of Subscription Shares:	The Subscription Shares will be allotted and issued pursuant to the Share Specific Mandate to be sought from the Independent Shareholders at the EGM. The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

Conditions precedent: Share Subscription Completion is subject to the conditions precedent as set out under the section headed "Conditions precedent to the Share Subscription" of the Board Letter.

Share Subscription Completion: Share Subscription Completion shall take place within five Business Days (or such other date as agreed to in writing between the Company and the Share Subscribers) upon the satisfaction or waiver (as the case may be) of the conditions under the Share Subscription Agreement (other than the conditions set out in sub-paragraphs (g) and (h) under the section headed "Conditions precedent to the Share Subscription" of the Board Letter, the satisfaction or waiver of which shall take place on the date of Share Subscription Completion), upon which the Company shall issue and allot the Subscription Shares to the Share Subscribers and the Share Subscribers shall pay to the Company the aggregate Share Subscription Price. Completion of the subscription of all Subscription Shares shall occur simultaneously.

Analysis on the Share Subscription Price

As illustrated above, Share Subscription Price is HK$0.14, which represents:

(i) a discount of approximately 93.12% to the closing price of HK$2.035 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 39.13% to the closing price of HK$0.23 per Share as quoted on the Stock Exchange on 7 July 2026, being the Last Trading Day;

(iii) a discount of approximately 38.60% to the average closing price of HK$0.228 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

(iv) a discount of approximately 32.04% to the average closing price of approximately HK$0.206 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
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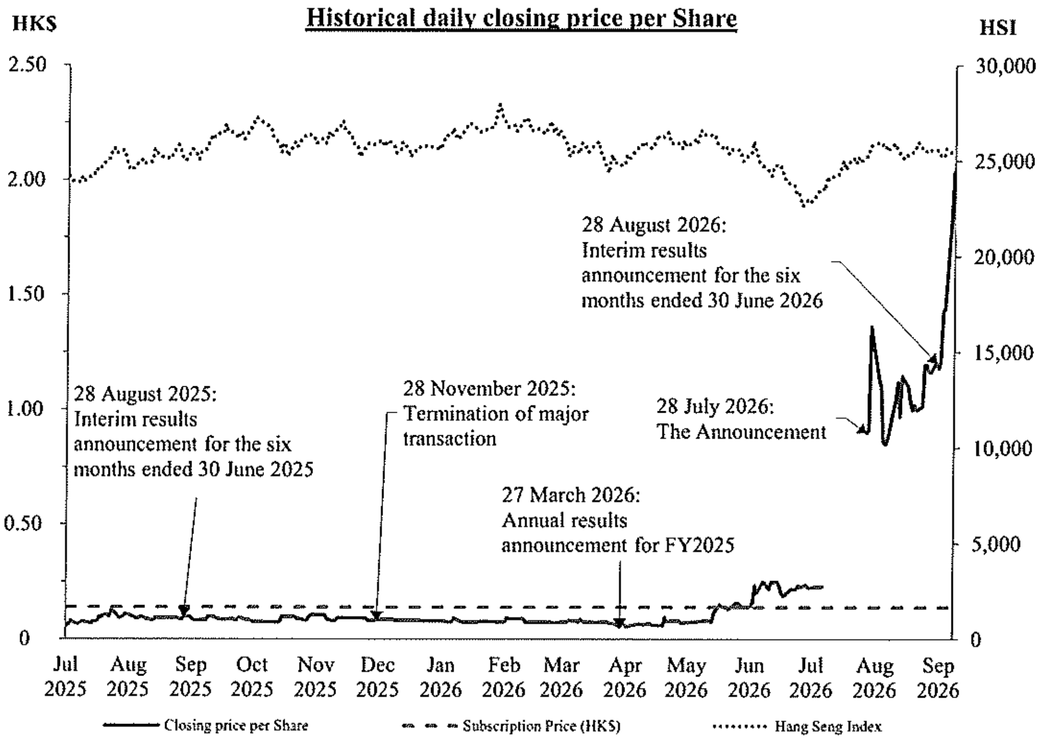
(v) a discount of approximately 3.45% to the average closing price of approximately HK$0.145 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to and including the Last Trading Day;

(vi) a premium of approximately 26.13% over the average closing price of approximately HK$0.111 per Share as quoted on the Stock Exchange for the last 120 consecutive trading days immediately prior to and including the Last Trading Day;

(vii) a premium of approximately HK$0.1967 over the net equity (negative) attributable to the owners of the Company per Share (the "**Net Deficit per Share**") of approximately RMB0.0512 (equivalent to approximately HK$0.0567) as at 31 December 2025, as calculated based on the audited net equity (negative) attributable to owners of the Company of approximately RMB20.5 million as at 31 December 2025 and 400,000,000 Shares in issue as at the Latest Practicable Date; and

(viii) a premium of approximately HK$0.1739 over the Net Deficit per Share of approximately RMB0.0295 (equivalent to approximately HK$0.0339) as at 30 June 2026, as calculated based on the unaudited net equity (negative) attributable to owners of the Company of approximately RMB11.8 million as at 30 June 2026 and 400,000,000 Shares in issue as at the Latest Practicable Date.

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 2 July 2025 to the Latest Practicable Date, being approximately one year up to and including the Latest Practicable Date (the "**Share Review Period**"), which we consider to be a sufficient time period for share prices review to illustrate general trend and level of movement of share prices. The comparison of closing prices of the Shares and Share Subscription Price is illustrated as follows:



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

Source: the Stock Exchange's website

During the Share Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK$2.035 per Share recorded on 8 September 2026 (i.e. the Latest Practicable Date) and HK$0.054 per Share recorded on 30 March 2026, with an average closing price of approximately HK$0.212 per Share and median closing price of approximately HK$0.087 per Share. The Share Subscription Price falls within the closing price range of and is higher than the average closing price and median closing price of the Shares during the period from 2 July 2025 (being the beginning of the Share Review Period) to the Last Trading Day (the "**Pre-Announcement Period**").

As depicted from the above chart, the closing prices of the Shares fluctuated between HK$0.054 and HK$0.122 from 2 July 2025 to 14 May 2026. Subsequently, the closing prices of the Shares hiked and reached HK$0.250 on 15 June 2026. On 7 July 2026 (being the Last Trading Day), the closing price of the Share was HK$0.230.

The Share Subscription Price was higher than the closing prices of the Shares in 216 out of 249 trading days during the Pre-Announcement Period.

After publication of the Announcement and resumption of trading in the Shares on 28 July 2026, the closing prices of the Shares, which might be stimulated by the publication of the Announcement, surged to HK$0.900 on 28 July 2026 and fluctuated between HK$0.850 to HK$2.035 up to the Latest Practicable Date. Save for the aforesaid, we did not identify any specific reason which caused the fluctuation of the closing price of the Shares during the Share Review Period.

The Share Subscription Price was higher than the closing prices of the Shares in 216 out of 279 trading days during the Share Review Period.

We noted that the Share Subscription Price was substantially below the closing prices of the Shares after publication of the Announcement up to the Latest Practicable Date. This was mainly due to the post-Announcement prices surge which might be stimulated by the publication of the Announcement, the price of the Shares may not sustain without the occurrence of the Acquisition, the Offer and the Share Subscription.

We understood from the Directors that the Share Subscription Price was determined with reference to, among other factors as stated in the Board Letter, the average closing price of the Shares over a medium-term prior to the Last Trading Day to carve out any short-term fluctuation in the prices of the Shares.

Trading multiple analysis

We noted that trading multiple analysis (including the use of price-to-earnings ratio and price-to-book ratio) are commonly adopted method for the purpose of assessing the fairness and reasonableness of the Share Subscription Price. However, as the Group is loss-making for FY2025 (being the latest audited financial year) and recorded Net Deficit per Share as 30 June 2026, the use of price-to-earnings ratio and price-to-book ratio is not practicable. Accordingly, we consider trading multiple analysis is impracticable in this regard.

Comparison with other share subscription transactions

As the approval of the Share Subscription by the Independent Shareholders at the EGM formed part of the conditions precedent to the Acquisition, we consider that the Share Subscription is a bundled deal with the Acquisition. Given this transaction structure, we consider it is impracticable to compare the Share Subscription Price to the subscription price of other standalone share subscription transactions conducted by other Hong Kong listed companies.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

Conclusion on the Share Subscription Price

Having considered the factors set out below:

(i) trading multiple analysis and comparison with other share subscription transactions being impracticable;

(ii) the Share Subscription Price falls within the closing price range of and is higher than the average closing price and median closing price of the Shares during the Pre-Announcement Period and the Share Subscription Price was higher than the closing prices of the Shares in 216 out of 249 trading days during the Pre-Announcement Period;

(iii) the Share Subscription Price represents a slight discount of 3.45% to the average closing price of approximately HK$0.145 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to and including the Last Trading Day (being a medium term prior to and including the Last Trading Day);

(iv) the Share Subscription Price was higher than the closing prices of the Shares in 216 out of 279 trading days during the Share Review Period; and

(v) the Share Subscription Price represents a premium of approximately HK$0.1739 over the Net Deficit per Share of approximately RMB0.0295 (equivalent to approximately HK$0.0339) as at 30 June 2026,

we are of the view that the Share Subscription Price is fair and reasonable.

Other terms of the Share Subscription Agreement

We did not identify any abnormal term under other clauses of the Share Subscription Agreement, such as "Ranking of Subscription Shares", "Conditions precedent" and "Share Subscription Completion", that are unfavourable to the Company and the Shareholders as a whole.

In view of the above, we consider the terms of the Share Subscription to be fair and reasonable so far as the Independent Shareholders are concerned.

Potential dilution effect of the Share Subscription

With reference to the shareholding table in the section headed "SHAREHOLDING STRUCTURE OF THE COMPANY" of the Board Letter, the shareholding interests of the existing Offer Shareholders was approximately 38.99%. Assuming that there is no change in the number of the total issued Shares from the Latest Practicable Date to the

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
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completion of the Share Subscription, the shareholding interest of the existing Offer Shareholders would be diluted by approximately 18.74 percentage points to approximately 20.25% immediately after completion of the Share Subscription.

As aforementioned above, as at 31 December 2025, the Group's net current liabilities was approximately RMB61.4 million and the equity attributable to owners of the Company was approximately negative RMB20.5 million. With reference to the 2025 Annual Report, (i) the Group's loss of approximately RMB71.5 million; and (ii) as at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB61.4 million, indicated the Going Concern Uncertainty. As set out in the section headed "Reasons for and benefits of the Share Subscription and use of proceeds" above: (i) the Share Subscription is appropriate fund-raising method currently available to the Group (as compared to debit financing and pre-emptive equity fund-raising methods such as rights issue and open offer); and (ii) the Net Proceeds would improve the Group's financial position and the Intended Uses are appropriate.

Taking into account the aforementioned benefits of the Share Subscription, we are of the view that the aforesaid dilution is acceptable.

RECOMMENDATION ON THE SHARE SUBSCRIPTION

Having taken into consideration of the factors and reasons as stated above, in particular that:

(a) the Share Subscription is appropriate fund-raising method currently available to the Group;

(b) the Net Proceeds would improve the Group's financial position and the Intended Uses are appropriate;

(c) the Share Subscription Price is fair and reasonable;

(d) we did not identify any abnormal term under other clauses of the Share Subscription Agreement; and

(e) the dilution effect of the Share Subscription on the shareholding interests of the other Offer Shareholders is acceptable given the benefits of the Share Subscription,

we are of the opinion that (i) the terms of the Share Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Share Subscription is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committees to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Subscription, and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
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III. SPECIAL DEAL

With reference to the Board Letter:

(i) As the Share Subscription is a special arrangement available to the Share Subscriber III (which, together with its sole beneficial owner, is directly interested in approximately 2.90% of the total issued Shares as at the Latest Practicable Date) only and not offered to all Shareholders, the Share Subscription constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code.

(ii) The Offeror has made an application to the Executive for consent in relation to the Special Deal. The Executive's consent, if granted, will normally be conditional upon the Independent Financial Adviser confirming to the Independent Board Committee that the terms of the Special Deal are fair and reasonable, and the passing of an ordinary resolution by the Independent Shareholders at a general meeting of the Company to approve the Special Deal.

As detailed under the sub-section headed "Reasons for and benefits of the Share Subscription and use of proceeds" of the section headed "I. Background of and Reasons for the Transactions" above, the opportunity to participate in the Share Subscription was available to Share Subscriber III solely through the involvement of Mr. Chen Xi (being the sole shareholder of Share Subscriber III) in the discussions relating to the Acquisition in his capacity as vice president of Fineland Group.

Based on our analysis on the applicability of other fund-raising method as set out the under the sub-section headed "Reasons for and benefits of the Share Subscription and use of proceeds" of the section headed "I. Background of and Reasons for the Transactions" above, in particular, the uncertainty of rights issue, open offer and placing of new Shares without an underwriter, we are of the view that (i) placing of Shares, rights issue and open offer are not optimal financing alternatives for the Group; and (ii) the Share Subscription is appropriate fund-raising method currently available to the Group to improve the Group's gearing ratio and overall financial position.

Given (i) the aforesaid; (ii) the confidential nature of the Share Subscription (being one of the subjects of the conditions precedent to the Acquisition); (iii) the Special Deal forms part of the Share Subscription, the purpose of which are to improve the Group's gearing ratio and overall financial position; and (iv) rights issue and open offer (being fund-raising methods available to existing Shareholders) are not optimal financing alternatives for the Group, we are of the view that it is reasonable for the Company not to approach other Shareholders regarding the Share Subscription.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

RECOMMENDATION ON THE SPECIAL DEAL

Having taken into consideration of:

(i) rights issue and open offer (being fund-raising methods available to existing Shareholders) are not optimal financing alternatives for the Group;

(ii) the Share Subscription is an appropriate fund-raising method currently available to the Group;

(iii) the Net Proceeds would improve the Group's financial position and the Intended Uses are appropriate; and

(iv) as illustrated above, the terms of Share Subscription (including the Share Subscription Price) are on normal commercial terms and are fair and reasonable,

we are of the opinion that (i) the terms of the Special Deal are on normal commercial terms and are fair and reasonable; and (ii) the Special Deal is in the interests of the Company and the Shareholders (including the Independent Shareholders) as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Special Deal.

Yours faithfully,
For and on behalf of
Gram Capital Limited

Graham Lam
Managing Director

Notes: 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.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong