

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to the contents of this Scheme Document, any aspect of the Proposal or any action to be taken, you should consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction, to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Offeror or the Company in any jurisdiction in contravention of applicable law.

This Scheme Document is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.

If you have sold or transferred all your shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GRAND SUNNY LIMITED

廣朗有限公司

(Incorporated in Hong Kong with limited liability)

GOLDLION HOLDINGS LIMITED

金利來集團有限公司

(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)

(Stock Code: 00533)

**(1) PROPOSAL FOR THE PRIVATIZATION OF
GOLDLION HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE;
(2) PROPOSED WITHDRAWAL OF LISTING OF
GOLDLION HOLDINGS LIMITED;
AND
(3) PROPOSED RE-ELECTION OF DIRECTOR**

Financial Adviser to the Offeror



GF Capital (Hong Kong) Limited

Financial Adviser to the Company



SOMERLEY CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee

ALTUS CAPITAL LIMITED

Unless the context otherwise requires, capitalized terms used in this Scheme Document (including this cover page) are defined in Part I of this Scheme Document. A letter from the Board is set out in Part III of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Independent Shareholders in relation to the Proposal is set out in Part IV of this Scheme Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in relation to the Proposal is set out in Part V of this Scheme Document. An Explanatory Statement regarding the Proposal is set out in Part VI of this Scheme Document. The actions to be taken by the Shareholders are set out in the section headed "Actions to be taken" of this Scheme Document.

Notices convening the Court Meeting and the General Meeting to be held at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Friday, 9 May 2025, in the case of the Court Meeting at 10:00 a.m. and, in the case of the General Meeting at 10:15 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon and to lodge them at the office of the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event no later than the respective times and dates as stated in section headed "Actions to be taken" of this Scheme Document. If the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting before the taking of the poll, who shall have absolute discretion as to whether or not to accept it.

Completion and return of the forms of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at the relevant meeting or any adjournment thereof after having lodged your forms of proxy, the returned forms of proxy shall be deemed to have been revoked. This Scheme Document is jointly issued by the Offeror and the Company.

In case of any inconsistency, the English language texts of this Scheme Document, the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the General Meeting shall prevail over their respective Chinese language texts for the purpose of interpretation.

11 April 2025

IMPORTANT NOTICES

This Scheme Document contains important information and you should carefully read this Scheme Document in full, including the appendices. A letter from the Independent Board Committee containing its advice to the Independent Shareholders in relation to the Proposal is set out in Part IV of this Scheme Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee in relation to the Proposal is set out in Part V of this Scheme Document. You are urged to carefully read such letters of advice before taking any action in respect of the Proposal.

NOTICE TO OVERSEAS SCHEME SHAREHOLDERS

The making of the Proposal to certain Scheme Shareholders may be subject to the laws of jurisdictions other than Hong Kong. Scheme Shareholders and Beneficial Owners residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of the Scheme Shareholders and Beneficial Owners to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Proposal, as the case may be, including obtaining any governmental, exchange control or other consents which may be required, and compliance with other necessary formalities and the payment of any issue, transfer or other taxes due by the Scheme Shareholders and Beneficial Owners in such jurisdictions.

It is emphasized that none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital, the Registrar and any of their respective beneficial owners, directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal accepts any responsibility in relation to the above.

Any action taken by such Scheme Shareholders or Beneficial Owners in respect of the Proposal and the Scheme will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including GF Capital, Somerley Capital and Altus Capital, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation and warranty.

Scheme Shareholders and Beneficial Owners residing in jurisdictions other than Hong Kong should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Scheme Shares, as the case may be. Overseas Scheme Shareholders and Beneficial Owners are advised to read the section headed “*16. Overseas Scheme Shareholders*” in the Explanatory Statement in Part VI of this Scheme Document for further information.

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NOTICE TO US HOLDERS OF SHARES

The Proposal is being made to cancel the securities of a company incorporated in Hong Kong by means of a scheme of arrangement provided for under the Companies Ordinance. Any financial information included in this Scheme Document has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with the generally accepted accounting principles in the US. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended.

Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of its Scheme Shares pursuant to the Scheme by a Scheme Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him. It may be difficult for US holders of the Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of the Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a judgement of the US court.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group.

This Scheme Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Scheme Document include statements about the expected effects of the Proposal on the Company, the expected timing and scope of the Proposal, and all other statements in this Scheme Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other

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countries which have an impact on the Offeror's and/or the Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or the Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or the Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Latest Practicable Date. Any forward-looking statement contained in this Scheme Document based on past or current trends and/or activities of the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Scheme Document is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

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ACTIONS TO BE TAKEN

1. ACTIONS TO BE TAKEN BY THE SHAREHOLDERS

Entitlements of the holders of the Scheme Shares and the Shareholders to attend and vote at the Court Meeting and the General Meeting

Holders of the Scheme Shares who are entitled to attend and vote at the Court Meeting and Shareholders who are entitled to attend and vote at the General Meeting are those whose names appear on the Register as at the close of business on the Meeting Record Date, being Friday, 9 May 2025.

For the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the Register will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025 (both days inclusive) (or such other dates as the Shareholders may be notified by announcement). During such period, no transfer of Shares will be effected.

In order to qualify to vote at the Court Meeting and/or the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the office of the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 2 May 2025 (or such other date as the Shareholders may be notified by announcement).

Forms of proxy

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the General Meeting are enclosed with each copy of this Scheme Document despatched to the Registered Owners on Friday, 11 April 2025.

Any subsequent transferees of the Shares will need to obtain the relevant form(s) of proxy from the transferors. Alternatively, copies of the forms of proxy can be: (i) obtained from the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong; or (ii) downloaded from the website of either the Stock Exchange at www.hkexnews.hk or the Company at www.goldlion.com.

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person:

- (i) if you are a holder of the Scheme Shares, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting; and
- (ii) if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the General Meeting,

in accordance with the instructions printed on them, and to lodge them at the office of the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

ACTIONS TO BE TAKEN

In order to be valid:

- (i) the **pink** form of proxy for use at the Court Meeting should be lodged no later than 10:00 a.m. on Wednesday, 7 May 2025 (or such other date as the holders of Scheme Shares may be notified by announcement) or if the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting before the taking of the poll, who shall have absolute discretion as to whether or not to accept it; and
- (ii) the **white** form of proxy for use at the General Meeting should be lodged no later than 10:15 a.m. on Wednesday, 7 May 2025 (or such other date as the Shareholders may be notified by announcement).

Completion and return of the relevant form(s) of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and in such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and the General Meeting. You are therefore strongly urged to attend and vote at the Court Meeting and/or the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

Announcement of the results of the Court Meeting and the General Meeting

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting and, if the resolution to be proposed at the Court Meeting and the special resolution to be proposed at the General Meeting are passed, further announcements will be made in relation to, among other things, the results of the Court Hearing and (if the Scheme is sanctioned) the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange, in accordance with the requirements of the Takeovers Code and the Listing Rules.

Shareholders who have sold/transferred Shares should hand this Scheme Document and accompanying forms of proxy to the purchaser/transferee

If you have sold or transferred all of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

ACTIONS TO BE TAKEN

2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OTHER THAN HKSCC NOMINEES

No person shall be recognized by the Company as holding any Shares on trust.

A Beneficial Owner whose Shares are registered in the name of a Registered Owner should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by the Beneficial Owner should be voted at the Court Meeting and/or the General Meeting.

A Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the General Meeting personally should:

- (i) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable the Beneficial Owner to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint the Beneficial Owner as its proxy; or
- (ii) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred and registered in the name of the Beneficial Owner prior to the Meeting Record Date.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

Completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be deemed to have been revoked.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of form(s) of proxy in respect of the Court Meeting and/or the General Meeting, or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its form(s) of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the General Meeting, such Beneficial Owner should comply with the requirements of such Registered Owner.

ACTIONS TO BE TAKEN

3. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS

HKSCC Nominees may vote for and against the Scheme in accordance with instructions received from CCASS Participants.

Any Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees must:

- (i) unless such Beneficial Owner is a person admitted to participate in CCASS as an Investor Participant, contact his/her/its broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, the Other CCASS Participant regarding voting instructions to be given to such persons if he/she/it wishes to vote in respect of the Scheme.

The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to the Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide For Investor Participants”, “General Rules of HKSCC” and “HKSCC Operational Procedures” in effect from time to time; or

- (ii) if the Beneficial Owner wishes to vote (in person or by proxy) at the Court Meeting and/or the General Meeting, arrange for some or all of such Shares to be withdrawn from CCASS and transferred and registered in the name of the Beneficial Owner prior to the Meeting Record Date.

For withdrawal of Shares from CCASS and registration thereof, the relevant Beneficial Owner will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if his/her/its Shares are held through a financial intermediary, any other relevant fees charged by his/her/its financial intermediary. Such Beneficial Owner should contact his/her/its broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into his/her/its name so as to qualify to attend and vote at the Court Meeting and/or the General Meeting, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in his/her/its name.

4. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, the Offeror and the Company strongly encourage you to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and at the General Meeting.

If you keep any Shares in a share lending programme, the Offeror and the Company urge you to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

ACTIONS TO BE TAKEN

If you are a Beneficial Owner whose Shares are deposited in CCASS, the Offeror and the Company encourage you to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Shares should be voted at the Court Meeting and at the General Meeting without delay and/or arrange for some or all of such Shares to be withdrawn from CCASS and transferred and registered in your name (as detailed in the paragraph headed “3. *Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS*” in this section).

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, the Offeror and the Company would be grateful if you would inform the relevant Beneficial Owners about the importance of arranging for such Shares to be voted.

If the Scheme becomes effective, it will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting.

If you are in doubt as to the contents of this Scheme Document, any aspect of the Proposal or any action to be taken, you are encouraged to consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

In this Scheme Document, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“Adjusted NAV”	the adjusted unaudited consolidated net asset value attributable to owners of the Company as set out in the section headed “5. <i>Property Interests and Adjusted Net Asset Value</i> ” in Appendix I of this Scheme Document
“Announcement”	the joint announcement dated the Announcement Date and jointly issued by the Offeror and the Company in relation to the Proposal
“Announcement Date”	17 December 2024, being the date of the Announcement
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“Audited NAV”	the audited consolidated net asset value attributable to owners of the Company
“Authorization(s)”	all necessary authorizations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for any member of the Group to carry on its business
“Beneficial Owner”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner other than himself/herself/itself
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$1.5232 for every Scheme Share cancelled pursuant to the Scheme, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash. Unless otherwise stated, reference to the Cancellation Price in this Scheme Document is to the amount of HK\$1.5232 per Share, without taking into account any Dividend Adjustment

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“CO Disinterested Shares”	has the meaning ascribed to “disinterested shares” in section 674(3) of the Companies Ordinance
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Goldlion Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 533)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme, as set out in the section headed “ <i>5. Conditions of the Proposal and the Scheme</i> ” in the Explanatory Statement
“Court Hearing”	the hearing of the petition by the High Court to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme
“Court Meeting”	a meeting of the holders of Scheme Shares to be convened at the direction of the High Court at 10:00 a.m. on Friday, 9 May 2025 at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong or any adjournment thereof, at which the Scheme (with or without modification) will be voted upon
“Director(s)”	the director(s) of the Company
“Dividend Adjustment”	an amount being all or any part of the amount or value of any dividend, distribution and/or return of capital which may be announced, declared or paid in respect of the Scheme Shares after the Latest Practicable Date (provided that the record date to be announced by the Board for determining the entitlements to such dividend, distribution and/or return of capital falls on a day which is on or before the Effective Date), which the Offeror has reserved the right to reduce the Cancellation Price by subject to consultation with the Executive

“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Explanatory Statement”	the explanatory statement in relation to the Proposal, the text of which is set out in Part VI of this Scheme Document, which constitutes the statement required under section 671 of the Companies Ordinance
“General Meeting”	an extraordinary general meeting of the Company to be held at 10:15 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on Friday, 9 May 2025 at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong or any adjournment thereof, for the purpose of considering and, if thought fit, among other things, passing a special resolution to approve, among other matters, the reduction of the share capital of the Company involved in the Scheme and the implementation of the Scheme
“GF Capital”	GF Capital (Hong Kong) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Offeror in relation to the Proposal
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“Hin Chi Family Management”	Hin Chi Family Management Limited, a company incorporated in Hong Kong with limited liability, being trustee of the Tsang Hin Chi (2007) Family Settlement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent committee of the Board formed to advise the Independent Shareholders in connection with the Proposal and the Scheme, and comprising the non-executive Director and all the independent non-executive Directors, namely Mr. Ng Ming Wah, Charles, Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Shareholders”	all Shareholders, other than the Offeror and the Offeror Concert Parties
“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Keysonic Development”	Keysonic Development Limited, a company incorporated in the British Virgin Islands with limited liability, which was a wholly-owned subsidiary of Top Grade as at the Latest Practicable Date
“Last Full Trading Day”	20 November 2024, being the last full trading day prior to the trading halt in the Shares on the Stock Exchange pending the publication of the Announcement
“Last Trading Day”	21 November 2024, being the last trading day immediately before the trading halt in the Shares on the Stock Exchange pending the publication of the Announcement
“Latest Practicable Date”	8 April 2025, being the latest practicable date prior to the date of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Long Stop Date”	30 September 2025 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court on application of the Company may allow and in all cases, as permitted by the Executive)

“Madam Wong”	Madam Wong Lei Kuan, mother of Mr. Tsang
“Meeting Record Date”	Friday, 9 May 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the General Meeting
“Mr. Tsang”	Mr. Tsang Chi Ming, Ricky, the executive Director, chairman and chief executive officer of the Company, and the sole shareholder and sole director of the Offeror
“New Shares”	the new Shares to be issued to the Offeror pursuant to the Scheme, the number of which is equal to the number of the Scheme Shares cancelled
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on 17 December 2024 (being the Announcement Date) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Grand Sunny Limited, a company incorporated under the laws of Hong Kong with limited liability, which was wholly-owned by Mr. Tsang as at the Latest Practicable Date
“Offeror Concert Parties”	any party(ies) acting in concert, or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code including, without limitation, Mr. Tsang, Madam Wong, Top Grade, Silver Disk, Keysonic Development and THC Charities Management
“Other CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited the Shares with, a CCASS participant
“PRC”	the People’s Republic of China
“Proposal”	the proposal for the privatization of the Company by the Offeror by way of the Scheme, and the withdrawal of listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in this Scheme Document

“Register”	the register of members of the Company
“Registered Owner”	any person (including without limitation a nominee, trustee, depositary or any other authorized custodian or third party) whose name is entered in the Register as a holder of the Shares
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Registrar”	the share registrar of the Company, being Computershare Hong Kong Investor Services Limited, which is situated at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Relevant Authorities”	applicable governments or governmental bodies, regulatory bodies, or courts including but not limited to the SFC and the Stock Exchange
“Relevant Period”	the period commencing on 17 June 2024, being the date falling six (6) months prior to 17 December 2024 (being the Announcement Date and the commencement date of the Offer Period), and ending on and including the Latest Practicable Date
“Scheme”	the scheme of arrangement proposed under section 673 of the Companies Ordinance for the implementation of the Proposal as set out in Appendix IV to this Scheme Document (with or subject to any modification thereof or addition thereof or condition approved or imposed by the High Court) between the Company and the Scheme Shareholders involving, inter alia, the cancellation of all the Scheme Shares and the issue of the New Shares to the Offeror
“Scheme Document”	this composite scheme document dated 11 April 2025 issued jointly by the Offeror and the Company to the Shareholders, including each of the letters, statements, appendices and notices herein
“Scheme Record Date”	Thursday, 26 June 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	Share(s) other than those beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties

“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2014, which had lapsed upon the expiry of its term on 22 May 2024
“Shareholder(s)”	registered holder(s) of the Shares
“Silver Disk”	Silver Disk Limited, a company incorporated in Hong Kong with limited liability, which was wholly-owned by Top Grade as at the Latest Practicable Date
“Singapore”	the Republic of Singapore
“Somerley Capital”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Company in relation to the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time
“TC Disinterested Shares”	Shares in issue as at the Scheme Record Date, other than those beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties
“THC Charities Management”	Tsang Hin Chi Charities (Management) Limited, a company incorporated in Hong Kong with limited liability, being trustee of Tsang Hin Chi Charitable Foundation
“Top Grade”	Top Grade Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Hin Chi Family Management
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities

“Tsang Hin Chi (2007) Family Settlement”	a family trust established under a deed of settlement dated 4 October 2007 and made between the late Dr. Tsang Hin Chi as the settlor and Hin Chi Family Management as the trustee, the beneficiaries of which are members of the Tsang family including Mr. Tsang
“Tsang Hin Chi Charitable Foundation”	The Tsang Hin Chi Charitable Foundation, a charitable trust exempted under section 88 of the Inland Revenue Ordinance, which is controlled by Mr. Tsang
“US”	the United States of America
“%”	per cent.

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, unless otherwise specified.

All percentages stated in this Scheme Document are approximations and certain amounts and percentage figures included in this Scheme Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This Scheme Document and the accompanying forms of proxy are prepared in both English and Chinese. In the event of inconsistency, the English texts of the aforementioned documents shall prevail.

The timetable set out below is indicative only and is subject to change. Any change to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates.

Date of despatch of this Scheme Document Friday, 11 April 2025

Latest time for lodging transfers of Shares
in order to qualify for entitlement to attend and vote at
the Court Meeting and/or the General Meeting 4:30 p.m. on
Friday, 2 May 2025

Closure of the Register for determining the entitlements of the
holders of the Scheme Shares to attend and vote at the Court Meeting,
and for determining the entitlements of the Shareholders
to attend and vote at the General Meeting (*Note 1*) from Tuesday,
6 May 2025 to Friday,
9 May 2025 (*both days inclusive*)

Latest time for lodging forms of proxy in respect of (*Note 2*):

- the Court Meeting 10:00 a.m. on Wednesday,
7 May 2025
- the General Meeting 10:15 a.m. on Wednesday,
7 May 2025

Meeting Record Date Friday, 9 May 2025

Court Meeting (*Note 3*) 10:00 a.m. on Friday,
9 May 2025

General Meeting (*Note 3*)
(or as soon as practicable after the conclusion or
adjournment of the Court Meeting) 10:15 a.m. on Friday,
9 May 2025

Announcement of the results of the Court Meeting and
the General Meeting posted on the website of
the Stock Exchange (*Note 9*) by 7:00 p.m. on
Friday, 9 May 2025

Expected latest time for trading in the Shares on
the Stock Exchange 4:10 p.m. on Friday,
13 June 2025

Latest time for lodging transfers of Shares in order to
qualify for entitlements under the Scheme 4:30 p.m. on Friday,
20 June 2025

Closure of the Register for determining the entitlements of the Scheme Shareholders under the Scheme (<i>Note 4</i>)	from Monday, 23 June 2025 onwards
Court Hearing (<i>Note 5</i>)	Thursday, 26 June 2025
Announcement of the (1) results of the Court Hearing, (2) the expected Effective Date and (3) the expected date of the withdrawal of the listing of the Shares on the Stock Exchange.....	Thursday, 26 June 2025
Scheme Record Date.....	Thursday, 26 June 2025
Effective Date (<i>Note 6</i>)	Monday, 30 June 2025
Announcement of (1) the Effective Date and (2) the expected date of withdrawal of the listing of the Shares on the Stock Exchange	No later than 7:00 p.m. on Monday, 30 June 2025
Withdrawal of the listing of the Shares on the Stock Exchange becomes effective (<i>Note 7</i>)	4:00 p.m. on Wednesday, 2 July 2025
Latest date to despatch cheques for payment of the Cancellation Price to the Scheme Shareholders (<i>Notes 8, 9</i>).....	On or before Thursday, 10 July 2025

Notes:

- (1) The Register will be closed during such period for the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this book closure period is not for determining the entitlements of the holders of the Scheme Shares under the Scheme.
- (2) Forms of proxy should be lodged with the office of the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event no later than the time and date stated above. In order to be valid, the **pink** form of proxy for the Court Meeting and the **white** form of proxy for the General Meeting must be lodged no later than the latest times and date stated above. If the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting before the taking of the poll, who shall have absolute discretion as to whether or not to accept it.

Completion and return of a form of proxy for the Court Meeting or the General Meeting will not preclude a holder of Scheme Shares and a Shareholder, respectively, from attending the relevant meeting and voting in person. In the event that the holder of Scheme Shares or the Shareholder attends and votes at the relevant meeting or any adjournment thereof after having lodged his/her/its form of proxy, the returned form of proxy shall be deemed to have been revoked.

- (3) The Court Meeting and the General Meeting will be held at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong at the times and date specified above. Please see the Notice of the Court Meeting and the Notice of the General Meeting set out in Appendices V and VI to this Scheme Document, respectively, for details. If there is a “black” rainstorm warning or a tropical cyclone warning signal No. 8 or above or extreme conditions in force at or after 8:00 a.m. on Friday, 9 May 2025 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on Friday, 9 May 2025 that any of the above mentioned warnings is to be issued within the next two hours, the Court Meeting and the General Meeting shall automatically be postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal No. 8 or above is hoisted and no extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case the Court Meeting shall be held at 10:00 a.m. and the General Meeting shall be held at 10:15 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on that Business Day at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong. For the avoidance of doubt, the Court Meeting and the General Meeting will be held as scheduled even when a tropical cyclone warning signal No. 3 or below is hoisted or an amber or red rainstorm warning signal is in force. Holders of Scheme Shares (in the case of Court Meeting) and Shareholders (in the case of General Meeting) should make their own decision as to whether to attend the Court Meeting or the General Meeting (as the case may be) under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.
- (4) The Register will be closed during such period for the purposes of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.
- (5) The Court Hearing will be held at the High Court Building, 38 Queensway, Hong Kong.
- (6) Subject to the Conditions having been fulfilled or waived, as applicable, the Scheme shall become effective as soon as an office copy of the order of the High Court sanctioning the Scheme (with or without modification) and confirming, under Section 229 of the Companies Ordinance, the reduction of the share capital of the Company provided for by the Scheme, together with a minute and a return relating to the reduction of share capital of the Company containing the particulars required by Section 230 of the Companies Ordinance, shall have been delivered and registered by the Registrar of Companies under Part 2 of the Companies Ordinance.
- (7) If the Scheme becomes effective on Monday, 30 June 2025, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Wednesday, 2 July 2025.
- (8) Cheques for payment of the Cancellation Price to the Scheme Shareholders whose names appear on the Register as at the Scheme Record Date will be despatched as soon as possible but in any event no later than seven (7) Business Days after the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the Register in respect of the joint holding. For Beneficial Owners that hold Scheme Shares through a nominee (other than HKSCC Nominees), cheques issued in the name of the nominee will be sent by post in pre-paid envelopes addressed to the nominee.

All such cheques will be posted at the risk of the persons entitled thereto and none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital and the Registrar and their respective beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

- (9) (a) In respect of the submission and publication deadlines for the announcement of the results of the Court Meeting and the General Meeting as required under Rule 19.1 of the Takeovers Code, (i) if a tropical cyclone warning signal No. 8 or above, or a black rainstorm warning, or “extreme conditions” warning as announced by the Government of Hong Kong (the “**Warnings**”) is in force at any time during or after the conclusion of the Court Meeting or General Meeting on that day or (ii) the Hong Kong Observatory has announced at any time during or after the conclusion of the Court Meeting or General Meeting on that day, that any of the Warnings is to be issued within the next two hours, such deadlines will be postponed to the same time on the next Business Day which does not have any of the Warnings in force or such other day or time as the Executive may approve in accordance with the Takeovers Code.
- (b) In respect of the deadline to despatch cheques for payment of the Cancellation Price under Rule 20.1 of the Takeovers Code:
- (i) if any of the Warnings is in force at any time before 12:00 noon but no longer in force at or after 12:00 noon on that Business Day, such date will remain on the same Business Day; or
- (ii) if any of the Warnings is in force at any time at or after 12:00 noon on that Business Day, such date will be postponed to the next Business Day which does not have any of the Warnings in force at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

**GOLDLION HOLDINGS LIMITED****金利來集團有限公司***(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)***(Stock Code: 00533)***Executive Director:*

Mr. Tsang Chi Ming, Ricky

*(Chairman and Chief Executive Officer)**Non-executive Director:*

Mr. Ng Ming Wah, Charles

Independent Non-executive Directors:

Mr. Li Ka Fai, David

Ms. Lo Wing Sze

Mr. Chan Kwong Ming, Johnny

Registered Office:

7th floor,

Goldlion Holdings Centre,

13–15 Yuen Shun Circuit,

Siu Lek Yuen,

Shatin, New Territories,

Hong Kong

11 April 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATIZATION OF
GOLDLION HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE;
(2) PROPOSED WITHDRAWAL OF LISTING OF
GOLDLION HOLDINGS LIMITED;
AND
(3) PROPOSED RE-ELECTION OF DIRECTOR**

INTRODUCTION

References are made to (i) the Announcement and (ii) the announcement of the Company dated 19 November 2024 in relation to the appointment of Mr. Chan Kwong Ming, Johnny as an independent non-executive Director.

On 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatization of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance, which, if implemented, would result in the Company becoming wholly-owned by the Offeror and the Offeror Concert Parties and the withdrawal of listing of the Shares from the Stock Exchange.

The purpose of this Scheme Document is to provide you with further information regarding (i) the Proposal and, in particular, the Scheme and (ii) the proposed re-election of Mr. Chan Kwong Ming, Johnny as an independent non-executive Director, and to give you notices of the Court Meeting and the General Meeting (together with proxy forms in relation thereto).

Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part IV of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document; (iii) the Explanatory Statement set out in Part VI of this Scheme Document; (iv) the terms of the Scheme set out Appendix IV to this Scheme Document; and (v) other appendices to this Scheme Document.

TERMS OF THE PROPOSAL

As at the Latest Practicable Date, (i) the issued and paid-up share capital of the Company was HK\$1,101,357,687.46 which comprised 973,844,035 Shares in issue; (ii) the Offeror did not hold any Shares, and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the issued Shares; (iii) the Scheme Shareholders held 304,314,535 Shares, representing approximately 31.25% of the issued Shares; and (iv) there were no outstanding options, warrants, derivatives or securities convertible into Shares.

Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the cancellation price of HK\$1.5232 in cash, less the Dividend Adjustment (if any), for each Scheme Share cancelled;
- (b) upon the cancellation of the Scheme Shares, the issued share capital of the Company will be restored to its former number 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 reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the New Shares so issued, credited as fully paid, to the Offeror. The Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold approximately 31.25% of the issued share capital of the Company; and

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

Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$1.5232 per Scheme Share, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash.

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

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

However, if, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror expressly reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend and/or distribution and/or, as the case may be, return of capital per Share after consultation with the Executive, in which case any reference in this Scheme Document, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

No final dividend was proposed for the year ended 31 December 2024. The dividend payout ratio for the year ended 31 December 2024 (calculated by dividing the interim dividend per Share of HK\$0.020 for the six months ended 30 June 2024 by the earnings per Share of HK\$0.0956 for the year ended 31 December 2024) was approximately 20.9%, which was relatively lower than the dividend payout ratios in recent years. Your attention is also drawn to the section headed “1.3 Dividends” of the letter from the Independent Financial Adviser in Part V of this Scheme Document.

Comparison of value

The Cancellation Price of HK\$1.5232 in cash for every Scheme Share cancelled under the Scheme represents:

- (a) a premium of:
- (i) approximately 4.33% over the closing price of HK\$1.46 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
 - (ii) approximately 24.85% over the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (iii) approximately 71.15% over the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
 - (iv) approximately 77.53% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Full Trading Day;
 - (v) approximately 76.50% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Full Trading Day;
 - (vi) approximately 72.44% over the average closing price of approximately HK\$0.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;
 - (vii) approximately 65.43% over the average closing price of approximately HK\$0.92 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Full Trading Day;
 - (viii) approximately 57.32% over the average closing price of approximately HK\$0.97 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Full Trading Day;
 - (ix) approximately 49.02% over the average closing price of approximately HK\$1.02 per Share based on the daily closing prices as quoted on the Stock Exchange for the 360 trading days up to and including the Last Full Trading Day; and
- (b) a discount of:
- (i) approximately 65.88% to the Audited NAV per Share of approximately HK\$4.46 as at 31 December 2024 (calculated based on (1) the Audited NAV of approximately HK\$4,347,155,000 as at 31 December 2024 as extracted from the Company's annual results announcement for the year ended 31 December 2024 and (2) 973,844,035 Shares in issue as at the Latest Practicable Date); and
 - (ii) approximately 68.26% to the Adjusted NAV per Share of approximately HK\$4.80 (calculated based on (1) the Adjusted NAV of approximately HK\$4,672,898,000 and (2) 973,844,035 Shares in issue as at the Latest Practicable Date).

The Cancellation Price was determined by the Offeror after taking into account, among other things, the recent and historical prices of the Shares and trading volume of the Shares, the historical financial performance and business prospects of the Group, and the factors set out in the section headed “Reasons for and benefits of the Proposal” below, with reference to other privatization transactions relating to companies listed on the Stock Exchange in recent years.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.48 per Share on 31 March 2025, 2 April 2025 and 3 April 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.83 per Share on 18 November 2024.

FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$1.5232 per Scheme Share and 304,314,535 Scheme Shares in issue as at the Latest Practicable Date, and assuming that there is no change in the shareholding of the Company before the Scheme Record Date, the maximum amount of cash consideration required for the cancellation of the Scheme Shares is approximately HK\$463.5 million.

The Offeror intends to finance the cash requirement for the Proposal through its internal financial resources.

GF Capital has been appointed as the financial adviser to the Offeror in respect of the Proposal, and is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed “5. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement in Part VI of this Scheme Document, on or before the Long Stop Date.

If the Scheme is approved by the Scheme Shareholders and sanctioned by the High Court, all requirements of the Companies Ordinance are complied with, and all other Conditions are fulfilled or waived (as the case may be), the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on the Offeror making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional advisers and obtain independent advice.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued and paid-up share capital of the Company was HK\$1,101,357,687.46 which comprised 973,844,035 Shares in issue;
- (b) no options were outstanding under the Share Option Scheme and the Share Option Scheme had lapsed on 22 May 2024;
- (c) other than the 973,844,035 Shares in issue, the Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares;
- (d) the Offeror did not hold any Shares, and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the total number of Shares in issue, details of which are set out in the table in the section headed “6. *Shareholding Structure of the Company*” in the Explanatory Statement in Part VI of this Scheme Document;
- (e) members of the GF Capital group, being Offeror Concert Parties, did not beneficially own, control or have direction over any Shares;
- (f) save as disclosed in sub-paragraph (d) above, the Offeror and the Offeror Concert Parties did not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;
- (g) the Scheme Shares comprised a total of 304,314,535 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 31.25% of the issued share capital of the Company;
- (h) neither the Offeror nor the Offeror Concert Parties had entered into any outstanding derivative in respect of the securities in the Company;
- (i) neither the Offeror nor the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (j) neither the Offeror nor the Offeror Concert Parties had dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period; and
- (k) all Shareholders (other than the Offeror Concert Parties) were considered as Independent Shareholders for the purpose of the Takeovers Code and holders of CO Disinterested Shares for the purpose of the Companies Ordinance.

Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold approximately 31.25% of the issued share capital of the Company.

All Shareholders will be entitled to vote on the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling the Scheme Shares and the issue to the Offeror of such number of New Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled, which is set out in the section headed “5. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement in Part VI of this Scheme Document. The Offeror Concert Parties will also be entitled to vote on the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme.

The table setting out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Scheme becoming effective is set out in the section headed “6. *Shareholding Structure of the Company*” in the Explanatory Statement in Part VI of this Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

You are urged to read carefully the section headed “4. *Reasons for and Benefits of the Proposal*” in the Explanatory Statement in Part VI of this Scheme Document.

INFORMATION ON THE GROUP

Your attention is drawn to Appendix I of this Scheme Document, and the section headed “10. *Information on the Group*” in the Explanatory Statement in Part VI of this Scheme Document.

THE INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “11. *The Intentions of the Offeror in relation to the Group*” in the Explanatory Statement in Part VI of this Scheme Document.

The Board is pleased to note that as at the Latest Practicable Date, the Offeror had no intention, upon the Scheme becoming effective, to make any material changes to the business and/or disposal or redeployment of assets of the Group, or to make any significant changes to the management of the Company or employment of employees of the Group as a result of the implementation of the Proposal.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises the non-executive Director and all the independent non-executive Directors, namely Mr. Ng Ming Wah, Charles, Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny, has been established by the Board to advise the Independent Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting and the General Meeting.

The full text of the letter from the Independent Board Committee is set out in Part IV of this Scheme Document.

INDEPENDENT FINANCIAL ADVISER

The Company has, with the approval of the Independent Board Committee, appointed Altus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal.

The full text of the letter from the Independent Financial Adviser is set out in Part V of this Scheme Document.

INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

Your attention is drawn to the section headed “9. *Information on the Offeror and the Offeror Concert Parties*” in the Explanatory Statement in Part VI of this Scheme Document.

OVERSEAS SCHEME SHAREHOLDERS

If you are an overseas holder of the Scheme Shares, your attention is drawn to the section headed “16. *Overseas Scheme Shareholders*” in the Explanatory Statement in Part VI of this Scheme Document.

PROPOSED RE-ELECTION OF DIRECTOR

In accordance with Article 92 of the Articles of Association, Mr. Chan Kwong Ming, Johnny who was appointed to the Board on 19 November 2024, will hold office until the next following general meeting of the Company and, being eligible, offers himself for re-election at the General Meeting.

Particulars of Mr. Chan Kwong Ming, Johnny are set out below:

Mr. Chan Kwong Ming, Johnny, aged 53, is currently an independent non-executive Director, the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Board. He received his Bachelor of Arts Degree from the University of Toronto in 1994 and completed his Management Development Program from Harvard Business School in 1999. He has been appointed as adjunct professor at City University of Hong Kong since 2023. He is currently a standing director of the Hong Kong Chinese General Chamber of Commerce (HKCGCC) and chairman of the External Affairs Committee of the HKCGCC. He was appointed as a part-time member from 2009 to 2014 and an associate member from 2015 to 2017 of Central Policy Unit of the HKSAR. He joined Chun Sing International Holdings Limited in 1994 and was appointed as an executive director in 1996. He founded Titan Works Limited (a private equity investments company) and First Global Capital Consultants Limited (a consulting company) in 2003 and 2017 respectively. He is now the chairman of Titan Works Limited and a partner of First Global Consulting Group Limited (formerly known as First Global Capital Consultants Limited).

As at the Latest Practicable Date, save as disclosed above, Mr. Chan Kwong Ming, Johnny (1) did not hold any other position with the Company or other members of the Group; (2) did not hold any other directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (3) did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; and (4) did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Chan Kwong Ming, Johnny. He is subject to retirement by rotation pursuant to the articles of association of the Company. He is entitled to receive an aggregate annual remuneration of HK\$360,000 which comprises a director's fee of HK\$180,000 and additional remuneration in respect of his membership in Board committees, being HK\$30,000 as the chairman of the nomination committee, HK\$100,000 as a member of the audit committee and HK\$50,000 as a member of the remuneration committee, as determined with reference to his position, level of responsibilities and the remuneration policy of the Company.

Mr. Chan Kwong Ming, Johnny has confirmed (i) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of the Group or any connection with any core connected persons (as defined in the Listing Rules) of the Company; and (iii) there are no other factors that may affect his independence at the time of his appointment.

Saved as disclosed above, Mr. Chan Kwong Ming, Johnny has confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and the Company is not aware of any other matters in relation to his appointment that need to be brought to the attention of Shareholders.

COURT MEETING AND GENERAL MEETING

For the purpose of exercising your right to vote at the Court Meeting and the General Meeting, you are requested to read carefully the section headed “18. *Court Meeting and General Meeting*” in the Explanatory Statement in Part VI of this Scheme Document, the section headed “19. *Actions to be Taken*” in the Explanatory Statement in Part VI of this Scheme Document, and the notices of the Court Meeting and the General Meeting in Appendix V and Appendix VI respectively of this Scheme Document.

VOTING AT THE COURT MEETING AND THE GENERAL MEETING

All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting.

As at the Latest Practicable Date, the Offeror did not hold any Shares and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the issued Shares. Such Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

None of the Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will be voted at the Court Meeting. Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting. The Offeror has agreed to undertake to the High Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purposes of or to give effect to the Scheme.

All Shareholders are entitled to attend the General Meeting and vote on (i) the special resolution to be proposed at the General Meeting to approve and give effect to the reduction of share capital of the Company and the implementation of the Scheme and (ii) the ordinary resolution to be proposed at the General Meeting to approve the re-election of Mr. Chan Kwong Ming, Johnny as an independent non-executive Director.

The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling the Scheme Shares and of the issue to the Offeror of such number of New Shares as is equal to the number of the Scheme Shares cancelled.

ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal are set out under the section headed “Actions to be Taken” on pages 1 to 5 and the section headed “19. *Actions to be Taken*” in the Explanatory Statement in Part VI of this Scheme Document.

RECOMMENDATION

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

The Independent Board Committee, having considered the terms of the Proposal, and having taken into account the advice of the Independent Financial Adviser, considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned and recommends the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

Your attention is drawn to the recommendation of the Independent Financial Adviser to the Independent Board Committee, in respect of the Proposal as set out in Part V of this Scheme Document. Your attention is also drawn to the recommendation of the Independent Board Committee in respect of the Proposal as set out in Part IV of this Scheme Document.

The Board believes that the proposal to re-elect Mr. Chan Kwong Ming, Johnny as an independent non-executive Director is in the interests of the Company and the Shareholders as a whole and accordingly recommend that all Shareholders vote in favour of the relevant ordinary resolution to be proposed at the General Meeting. So far as the Directors are aware, as at the Latest Practicable Date, no Shareholder is required to abstain from voting under the Listing Rules in respect of the relevant ordinary resolution to be proposed at the General Meeting.

SHARE CERTIFICATES, DEALINGS, LISTING, REGISTRATION AND PAYMENT

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. In that case, the Company does not intend to maintain its listing on the Stock Exchange and 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, with effect after the Effective Date. The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of listing of the Shares on the Stock Exchange will become effective. An indicative expected timetable in relation to the Proposal is included in Part II of this Scheme Document.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions described in the section headed “5. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement set out in Part VI of this Scheme Document has not been fulfilled or waived, as applicable, on or before the Long Stop Date.

If the Scheme is withdrawn or is not approved at the Court Meeting or is not sanctioned by the High Court or does not become effective or the Proposal otherwise lapses, (a) the listing of the Shares on the Stock Exchange will not be withdrawn; (b) neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, except with the consent of the Executive, within 12 months thereafter, announce an offer or possible offer for the Company; and (c) the Company will publish an announcement to update the Shareholders in respect of the status of the Proposal.

Your attention is drawn to the sections headed “12. *Withdrawal of the Listing of the Shares*” and “15. *Registration and Payment*” in the Explanatory Statement set out in Part VI of this Scheme Document.

TAXATION, EFFECTS AND LIABILITIES

It is emphasized that none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital and the Registrar and any of their respective beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible or has any liability for any tax or other effects on, or liabilities of, any person or persons as a result of their approval or rejection, or the implementation, of the Proposal. You are urged to read the section entitled “17. *Taxation and Independent Advice*” in the Explanatory Statement set out in Part VI of this Scheme Document and if you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult an appropriately qualified professional adviser.

FURTHER INFORMATION

You are urged to read carefully the letters from the Independent Board Committee and from the Independent Financial Adviser, as set out in Part IV and Part V of this Scheme Document, respectively, the Explanatory Statement as set out in Part VI of this Scheme Document, the property valuation reports as set out in Appendix II to this Scheme Document, the terms of the Scheme as set out in Appendix IV to this Scheme Document, the notice of the Court Meeting as set out in Appendix V to this Scheme Document, the notice of the General Meeting as set out in Appendix VI to this Scheme Document and the other appendices to this Scheme Document. In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the General Meeting are enclosed with this Scheme Document.

By order of the Board
Goldlion Holdings Limited
Kam Yiu Kwok
Company Secretary

**GOLDLION HOLDINGS LIMITED****金利來集團有限公司***(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)***(Stock Code: 00533)**

11 April 2025

To the Independent Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATIZATION OF
GOLDLION HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
GOLDLION HOLDINGS LIMITED**

INTRODUCTION

We refer to the composite scheme document dated 11 April 2025 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”), of which this letter forms part. Terms defined in this Scheme Document shall have the same meanings in this letter unless the context otherwise requires. As disclosed in the Explanatory Statement set out in Part VI of this Scheme Document, all Independent Shareholders are also Scheme Shareholders as at the Latest Practicable Date.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Independent Shareholders in respect of the Proposal, details of which are set out in the letter from the Board and the Explanatory Statement as set out in Part III and Part VI of this Scheme Document, respectively.

Altus Capital, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal. The details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in the letter from the Independent Financial Adviser as set out in Part V of this Scheme Document.

In the letter from the Independent Financial Adviser as set out in Part V of this Scheme Document, the Independent Financial Adviser states that it considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned, and advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

RECOMMENDATION

The Independent Board Committee, having considered the terms of the Proposal, and having taken into account the advice of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

The Independent Board Committee draws the attention of the Independent Shareholders to (i) the letter from the Board set out in Part III of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document, which sets out the factors and reasons taken into account in arriving at its recommendations to the Independent Board Committee; (iii) the Explanatory Statement set out in Part VI of this Scheme Document; and (iv) the property valuation reports as set out in Appendix II to this Scheme Document.

Shareholders and potential investors of the Company should be aware that, if approved, the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting.

Yours faithfully,

The Independent Board Committee

Mr. Li Ka Fai, David

Independent Non-executive Director

Mr. Ng Ming Wah, Charles

Non-executive Director

Ms. Lo Wing Sze

Independent Non-executive Director

Mr. Chan Kwong Ming, Johnny

Independent Non-executive Director

The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee in relation to the Proposal and the Scheme for the purpose of inclusion in the Scheme Document.

ALTUS

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

11 April 2025

To the Independent Board Committee

Goldlion Holdings Limited
7th floor,
Goldlion Holdings Centre,
13–15 Yuen Shun Circuit,
Siu Lek Yuen,
Shatin, New Territories,
Hong Kong

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
GOLDLION HOLDINGS LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
GOLDLION HOLDINGS LIMITED**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposal and the Scheme. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee as set out in the announcement of the Company dated 27 January 2025. Details of the Proposal and the Scheme are set out in “Part III — Letter from the Board” and “Part VI — Explanatory Statement” contained in the Scheme Document dated 11 April 2025, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

The Proposal

Pursuant to the Announcement dated 17 December 2024, the Offeror and the Company jointly announced that on 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance, which, if implemented, would result in the Company becoming wholly-owned by the Offeror and the Offeror Concert Parties and the withdrawal of listing of the Shares from the Stock Exchange. As disclosed in the Scheme Document, all Scheme Shareholders are also Independent Shareholders as at the Latest Practicable Date.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises the non-executive Director and all the independent non-executive Directors, namely Mr. Li Ka Fai, David, Ms. Lo Wing Sze, Mr. Chan Kwong Ming, Johnny and Mr. Ng Ming Wah, Charles, has been established by the Board to advise the Scheme Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting and the General Meeting.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser in relation to the Proposal and the Scheme, our role is to advise the Independent Board Committee as to (i) whether the Proposal and the Scheme are fair and reasonable so far as the Scheme Shareholders are concerned; and (ii) whether the Scheme Shareholders should vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

We (i) are not associated or connected, financially or otherwise, with the Company or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the commencement of the Offer Period.

Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal and the Scheme is at market level and not conditional upon the outcome of the Proposal and the Scheme; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them and can act as the Independent Financial Adviser to the Independent Board Committee in relation to the Proposal and the Scheme.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Announcement; (ii) the annual results announcement of the Company for the year ended 31 December 2024 (the “**2024 Annual Results Announcement**”); (iii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); and (iv) other information as set out in the Scheme Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Scheme Shareholders of any material changes to information contained or referred to in the Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Scheme Shareholders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and up to the date of the General Meeting.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Company contained or referred to in the Scheme Document, and information relating to the Company provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Scheme Shareholders arising from acceptance or non-acceptance of the Proposal and the Scheme, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Scheme Shareholders as a result of the Proposal and the Scheme. In particular, the Scheme Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional adviser on tax matters.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice for the Proposal and the Scheme, we have considered the following principal factors and reasons:

1. Background and financial information of the Group***1.1 Background of the Group***

The Company has been listed on the Main Board of the Stock Exchange since 18 September 1992. The Group is principally engaged in the (i) distribution and manufacturing of garments, leather goods and accessories in the PRC (including Hong Kong) and Singapore and granting of licenses of its brand name for distribution of shoes, leather goods and accessories (“**Apparel Business**”); and (ii) property investment and development in the PRC (including Hong Kong) and Singapore (“**Property Business**”).

Apparel Business

The Apparel Business is conducted principally in the PRC (including Hong Kong) and Singapore.

In the PRC, the Group conducts its apparel operation through wholesaling to distributors in various cities and provinces, primarily through self-operated retail shops and factory outlets located mainly in Guangzhou, Shanghai, Beijing, Chongqing, Liaoning, Jilin and Shandong, as well as through e-commerce and custom ordering. The Group also grants licenses of its brand name for distribution of shoes, leather goods, undergarments and casual wear in the PRC. The Group currently operates five Goldlion shops and six counters in Singapore.

Property Business

The Property Business involves investments in properties in the PRC, Hong Kong and Singapore. Its key investment properties include the Goldlion Holding Centre in Shatin, Hong Kong, the Goldlion Digital Network Centre in Guangzhou, the PRC and the Goldlion Commercial Building in Shenyang, the PRC.

There is currently a property development project “Goldlion Garden” in Meixian, the PRC which include high-rise buildings with an aggregate of 976 residential units. The construction was completed in end 2024 and as at 31 December 2024, 698 units remained to be sold.

Besides the above, the Group established a new energy company engaging in photovoltaic business in the PRC in 2023. As the investment was only recently completed, only minimal electricity sales income has been recorded.

1.2 Historical financial performance of the Group

Set out below is a table summarising certain key financial information of the Group for its financial years ended 31 December (“FY”) 2022, 2023 and 2024 (“FY2022”, “FY2023” and “FY2024”), as extracted from the 2023 Annual Report and the 2024 Annual Results Announcement.

*Selected items of Consolidated Income Statement***Consolidated income statement**

	FY2024	FY2023	FY2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Turnover	1,219,113	1,331,456	1,415,709
— Apparel Business in PRC & Hong Kong ^(note)	948,530	1,010,560	1,047,509
— Apparel Business in Singapore	33,866	35,674	34,703
— Property Business	247,921	297,377	344,449
— Intersegment elimination	(11,204)	(12,155)	(10,952)
Cost of sales	(524,132)	(572,941)	(645,919)
Gross profit	694,981	758,515	769,790
<i>Gross profit margin</i>	<i>57.0%</i>	<i>57.0%</i>	<i>54.4%</i>
Other losses	(27,362)	(47,066)	(57,110)
Selling and marketing costs	(431,341)	(447,488)	(406,197)
Administrative expenses	(155,777)	(162,187)	(153,775)
Operating profit	80,501	101,774	152,708
Interest income	25,681	27,402	22,725
Interest expense	(1,516)	(1,743)	(1,293)
Profit before income tax	104,666	127,433	174,140
Income tax expense	(11,560)	(11,269)	(19,678)
Profit for the year	93,106	116,164	154,462

Note: This includes licensing income from Apparel Business.

FY2023 vs FY2022

The Group recorded a decrease in turnover of about 6% in FY2023 compared with FY2022 due mainly to lower sales of properties (which decreased from HK\$139.0 million in FY2022 to HK\$92.6 million in FY2023) and lower licensing income from Apparel Business (which decreased from HK\$112.9 million in FY2022 to HK\$93.1 million in FY2023). Cost of sales decreased by a larger extent of about 11%, resulting in an improvement of gross profit margin. Such improvements were attributed to (i) the higher margin of Apparel Business as the proportion of sales from self-operated retail sales increased; and (ii) lower amount of provision for impairment of inventories. Consequently, gross profit decreased by a smaller extent of 1.5% to HK\$758.5 million in FY2023.

Other losses, which were related to fair value losses on investment properties, were 18% lower in FY2023. Selling and marketing costs which mainly consisted of manpower costs for sales staff, rental expenses of the sales outlets, operating costs for e-commerce sales platforms, advertising and promotion, and relevant marketing expenses and tax fees relating to the Meixian property development project, increased by about 10% in FY2023 due to lower base figure for FY2022 as certain promotional activities planned in FY2022 were delayed or cancelled because of anti-pandemic measures. Administrative expenses, which mainly consisted of manpower costs for non-sales staff, depreciation, amortisation and impairment charges, and other miscellaneous expenses, were about 5% higher in FY2023, similarly due to lower base figure for FY2022 as it was impacted by the pandemic.

Consequently, due mainly to the combined effects of the Group having lower gross profit while recording increases in selling and marketing costs as well as administrative expenses, operating profit decreased by over 30% in FY2023 compared with FY2022. Due to higher net interest income from higher deposit interest rates as well as lower income tax expenses after offsetting the reversal of tax for fair value losses on investment properties, profit attributable to owners decreased by a lesser extent of about 25%.

FY2024 vs FY2023

Total revenue decreased by about 8% in FY2024 compared to FY2023 due mainly to lower sales of Apparel Business in the PRC as operating environment remained difficult with declining consumption as economic downturn continued. More specifically, sales to wholesaling distributors in RMB, which accounted for the largest proportion of Apparel Business in PRC, decreased by 9% during FY2024; turnover from licensing fee also decreased by 10% from HK\$93.1 million in FY2023 to HK\$84.1 million in FY2024. Meanwhile, Apparel Business in Singapore remained loss making during FY2024. Turnover from Property Business decreased due to (i) lower rental income and building management fees as vacancy rates increased; and (ii) sluggish property sales from development project during FY2024.

Cost of sales decreased along with lower turnover with overall gross profit margin remained stable at 57% in FY2024 compared with FY2023. More specifically, gross profit margin for Apparel Business (excluding impairment of inventories) improved slightly; this was offset by lower gross profit margin from property sales.

Fair value losses on investment properties continued to be recognised during FY2024 although the amount was 42% lower compared with FY2023. Fair value losses were mainly recognised from property holdings in the PRC, especially in respect of the Goldlion Digital Network Centre. Both sales and marketing costs, as well as administrative expenses, decreased slightly by 4% respectively. Consequently, operating profit decreased by about 21%. With net interest income having decreased by 6% in FY2024 while income tax expenses remained at similar levels, profit for FY2024 decreased by about 20% compared with FY2023.

Overall, we observed that the Group's turnover had been on a down trend with both Apparel Business and Property Business recording lower turnover from FY2022 to FY2024. The Apparel Business was affected by weak retail consumption while the Property Business was affected by weak property sales amidst the real estate crisis in the PRC (for discussions relating to the apparel industry and property market where the Group operates, please refer to the section headed "1.4 Industry and outlook of the Group" below). Real estate market weakness also resulted in continuous recognition of fair value losses on investment properties in FY2022 up to during FY2024. Due to the above, while the Group had been able to remain profitable, the level of profit had experienced substantial decline.

Selected items of Consolidated Balance Sheet

Consolidated balance sheet

	31 December 2024	As at 31 December 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Non-current assets			
Property, plant and equipment	211,196	181,107	145,273
Right-of-use assets	74,445	92,222	87,053
Investment properties	2,604,529	2,686,658	2,775,582
Others	55,889	55,873	62,910
Total non-current assets	2,946,059	3,015,860	3,070,818
Current assets			
Property under development	164,630	103,214	767,938
Completed properties	590,795	651,481	—
Inventories	217,723	201,634	204,578
Bank deposits, cash and cash equivalents and restricted cash	1,051,846	1,088,801	1,176,876
Others	175,424	220,766	270,577
Total current assets	2,200,418	2,265,896	2,419,969
Current liabilities			
Trade and other payables and accruals	(222,875)	(207,075)	(275,027)
Contract liabilities	(139,535)	(211,129)	(269,118)
Others	(24,708)	(29,639)	(42,683)
Total current liabilities	(387,118)	(447,843)	(586,828)

	31 December 2024 <i>HK\$'000</i> (audited)	As at 31 December 2023 <i>HK\$'000</i> (audited)	31 December 2022 <i>HK\$'000</i> (audited)
Non-current liabilities			
Lease liabilities, other payables and accruals	(55,684)	(53,824)	(57,200)
Deferred income tax liabilities	(354,392)	(375,325)	(399,376)
Total non-current liabilities	(410,076)	(429,149)	(456,576)
Net Assets attributable to owners of the Company	4,347,155	4,404,764	4,447,383
Non-controlling interests	2,128	—	—
Net Assets	4,349,283	4,404,764	4,447,383

The Group's non-current assets comprised principally investment properties in Hong Kong and the PRC. Property, plant and equipment comprised mainly self-used factories, retail outlets and offices. Its non-current assets had maintained generally stable as at 31 December 2022, 31 December 2023 and 31 December 2024 with nominals decreases owing to declining fair value of its investment properties.

The Group's current assets comprised principally cash holdings in the form of bank deposits, cash and cash equivalents and restricted cash; and to a lesser extent, completed properties for sale. Current assets had decreased by close to 10% from HK\$2.42 billion as at 31 December 2022 to HK\$2.20 billion as at 31 December 2024 as its cash holdings decreased. We note that following completion of construction of the development project in Meixian over the years, property under development was converted into completed properties.

The Group did not have any bank loans nor overdrafts. Its liabilities comprised mainly deferred income tax liabilities, contract liabilities and payables. Both current and non-current liabilities of the Group had been declining between 31 December 2022 and 31 December 2024. As a combination of the above, the Group's net assets had maintained largely stable at around HK\$4.4 billion level.

Overall, the Group had maintained a stable financial position and strong liquidity position. This should allow it to weather the current economic downturn which has negatively impacted both segments of its businesses in the past two financial years.

Calculation of the Adjusted NAV per Share

Reference is also made to the valuations of the property interests of the Group as at 31 January 2025 conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (in respect of the property interests in the PRC (including Hong Kong)) and Jones Lang LaSalle Property Consultants Pte Ltd (in respect of the property interests in Singapore) respectively, each an independent property valuer appointed by the Company, details of which are set out in Appendix II to the Scheme Document (the “**Property Valuation Reports**”). We note that the principals who are responsible for signing off the relevant Property Valuation Reports possessed proper qualification. Based on our review of the Property Valuation Reports and underlying workings, and our interview with the independent property valuers who have confirmed their independence from the Company, we are of the view that (i) the valuation approaches are commonly adopted and in line with the market practice, where in general, (a) for properties held for sale and owner-occupied properties, market comparison approach is being adopted by making reference to comparable sales transactions as available in the market; (b) for properties leased out for rental income, income approach is being adopted to take into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for potential upward or downward reversionary; and (c) for other properties the nature of which are unlikely to have relevant market comparable sales (i.e. cultural and sports activity center and sales center portion), cost approach is being adopted by making reference to their depreciated replacement cost; and (ii) the principal bases and assumptions adopted in the Property Valuation Reports are appropriate, with the property valuations being carried out on a market value basis as defined by International Valuation Standards Council (IVSC) and prepared in accordance with, amongst others, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the relevant requirements set out in the Listing Rules and the Takeovers Code.

As illustrated in the paragraph headed “5. Property interests and adjusted net asset value” set out in “Appendix I — Financial information of the Group” contained in the Scheme Document, set out below is the calculation of the Adjusted NAV per Share taking into account the effect of the net revaluation surplus attributable to owners of the Company arising from the valuations of the Group’s properties interests as set out in the Property Valuation Reports.

HK\$'000

Audited NAV as at 31 December 2024 4,347,155

Adjustments:

— Net revaluation surplus attributable to owners of the Company 492,906
 — Estimated deferred tax on revaluation surplus (167,163)

Adjusted NAV 4,672,898

Number of Shares as at the Latest Practicable Date 973,844,035

Adjusted NAV per Share (HK\$) 4.7984

1.3 Dividends

The table below illustrates the Company's historical dividend to shareholders and the payout ratio (being dividend per Share over earnings per Share) during the past ten years ended 31 December 2024. For reference only, we have also set out the payout ratio calculated based on the Group's underlying earnings, which exclude the effect of fair value gains or losses after tax on investment properties.

Year ended	Dividend per Share (HK\$)	Earnings per Share (HK\$)	Payout ratio	Underlying earnings per Share (note 1) (HK\$)	Payout ratio (Note 2)
31 December 2024	0.020	0.0956	20.9%	0.1143	17.5%
31 December 2023	0.075	0.1187	63.2%	0.1517	49.4%
31 December 2022	0.085	0.1573	54.0%	0.1964	43.3%
31 December 2021	0.110	0.2251	48.9%	0.2382	46.2%
31 December 2020	0.095	0.1510	62.9%	0.1990	47.7%
31 December 2019	0.150	0.3116	48.1%	0.2621	57.2%
31 December 2018	0.195	0.3831	50.9%	0.2928	66.6%
31 December 2017	0.185	0.3281	56.4%	0.2451	75.5%
31 December 2016	0.195	0.3959	49.3%	0.2424	80.5%
31 December 2015	0.210	0.4092	51.3%	0.2517	83.4%

Notes:

- (1) Underlying earnings is based on the profit attributable to owners of the Company excluding the fair value gains or losses after tax on investment properties, as extracted from the Company's respective annual reports/annual results announcements.
- (2) This payout ratio is calculated based on underlying earnings per Share.

The Company had consistently distributed dividends to its shareholders over the past ten years ended 31 December 2024, with total dividend payout amounted to HK\$1.320 per Share and payout ratio ranging from approximately 20.9% to 63.2%. If excluding the effect of fair value gains or losses after tax on investment properties, the payout ratio would have ranged from approximately 17.5% to 83.4%. The payout ratio for the year ended 31 December 2024 was relatively low as no final dividend was proposed for the year.

We note that the Company established a dividend policy and adopted it on 6 June 2019 setting out principles and guidelines that the Company intends to apply when recommending or declaring dividends. Under the aforesaid dividend policy, the Board will take into account a number of factors when considering the declaration and distribution of dividends, including the Group's financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on distribution of dividends and any other factors that the Board may consider relevant. In addition, the Group shall maintain adequate cash reserves to meet its working capital requirements, future business expansion and its shareholding value in recommending or declaring dividends.

We observe that the dividends paid had reduced over the past few years, likely reflecting the precarious and difficult operating environment the Group had faced. As further discussed in the sections headed "1.2 Historical financial performance of the Group" above and "1.4 Industry and outlook of the Group" below, the Group's level of profit had experienced substantial decline and the operating environment of the Group's businesses are expected to remain uncertain and challenging in the near future. Based on such trend and in view of the prevailing market conditions, the payout ratio and absolute amount of dividend to be declared and paid may remain at lower levels in the near term.

1.4 Industry and outlook of the Group

The Apparel Business is mainly conducted in the PRC and Hong Kong. Sales contribution from Singapore is nominal. For the Property Business, the investment properties in Hong Kong comprise principally properties for industrial and office use while those in the PRC are mainly office and commercial buildings. The Group also has a residential development project in the PRC. On this basis, we have conducted independent research on the apparel industry in the PRC, the commercial and industrial property markets in Hong Kong and the commercial and residential property markets in the PRC.

Apparel Business

We have conducted independent research and noted that The China National Garment Association ("CNGA") has issued a report analysing the economic operating environment of the apparel industry in the PRC during 2024 ("**CNGA Report**"). CNGA was founded in 1991 and is a key industry body that supports the development of the PRC's garment sector, acting as a bridge between the government, the industry, and its members. CNGA has over 1,100 members, including major brands and manufacturers, and it plays an important role in enhancing collaboration, brand building, and international exchange.

It is reported in the CNGA Report that since 2024, the apparel industry in the PRC has been striving to overcome challenges such as weak market sentiments and intensified competition in the supply chain. According to data from the National Bureau of Statistics (“NBS”), growth was recorded in 2024 in terms of overall garment production for domestic market and for exports, underpinned by growth of knitted apparel. Production of woven apparel had however decreased, with production of suits and shirts having decreased by 2.9%, and 5.8% respectively.

According to the CNGA Report, during 2024, the growth of PRC’s domestic apparel market was suppressed due to lingering negative consumer sentiments and increased market competition. According to data from NBS, retail sales of apparel goods recorded nominal year-on-year increase of 0.1% during 2024. This was substantially lower than the growth rate in 2023.

Looking ahead in 2025, the apparel industry is expected to gradually stabilise with the support of government stimulus gradually taking effect and the gradual recovery of domestic and international market demand. However, the issues with insufficient overall consumer demand, intense market competition as well as rising global trade uncertainties are expected to persist. Substantial challenges to the apparel industry (including the licensing of apparel brand names) therefore remain.

Property Business

We have conducted independent research on the real estate markets in the PRC and Hong Kong where the Group’s investment and development properties are located.

Hong Kong

For our independent research on Hong Kong’s office and industrial property markets, we have reviewed a report issued by CBRE Research titled “2025 Hong Kong Real Estate Market Outlook” (“**HK Report**”). CBRE Research is part of CBRE Group, Inc which is listed on the New York Stock Exchange and according to its annual report, CBRE Group, Inc is the world’s largest commercial real estate services and investments firm. It maintains an extensive research and data platform and counts nearly 90% of Fortune 100 companies and many of the world’s largest institutional real estate investors as its clients. We noted that CBRE Research regularly issues market reports on global and regional markets for comprehensive range of property types including office, residential, hotels, industrial and logistics as well as retail, and their findings and forecasts are quoted by news media.

The HK Report stated that vacancy rates of offices had continued to rise, and landlords have had to become more flexible where alongside direct rental reductions, additional incentives such as reinstatement waivers were being offered. Overall, office rental in Hong Kong fell by 6.3% compared with 2023. For 2025, CBRE Research expects demand for offices to improve slightly but vacancy is set to further increase, causing rental rates to drop by 5% to 10%. The drop will primarily be led by decentralised submarkets.

In respect of industrial properties, CBRE Research stated that in 2024, warehouse occupiers continued to be cost-conscious. As landlords were willing to provide incentives for tenants to stay, relocation demand declined. During 2024, overall warehouse rents fell by 4.6% year-on-year. CBRE Research expects a combination of weak demand and higher number of lease expiries to push up vacancies and result in warehouse rents to decline by up to 5% in 2025.

The PRC

For our independent research on PRC's commercial and residential property markets, we have reviewed a report issued by Savills on the "2025 Chinese Real Estate Market Outlook" ("**PRC Report**"). Savills, listed on the London Stock Exchange, advises on commercial, residential, rural and leisure property. It also provides corporate finance advice, investment management and a range of property-related financial services. Its services span globally, with over 40,000 experts working across more than 700 offices. Savills regularly issues market reports on global and regional markets and their reports are frequently quoted by news media.

The PRC Report stated that for the PRC office sector in 2025, tenants will increasingly focus on cost-efficiency and will use negotiation of lease renewals to achieve this. The protracted rent decline may trigger potential demand for office upgrades and space expansion from tenants. Savills predicts that vacancy rates in most PRC cities will continue to rise moderately in 2025. Due to abundant supply, 2025 will remain a tenant-driven market and this may stimulate more tenants to move from lesser grade office buildings to Grade A buildings.

Savills expects that the PRC residential sector will undergo a moderate recovery in 2025 after having experienced a four-year adjustment period. The policy tone has shifted toward stabilising the real estate market, with a series of easing policies to support the economy and the market. According to data from November and December 2024, the decline in housing prices has narrowed, bringing gradual stability to the industry. Transactions in first-tier cities have also become more active, and their performance in 2025 will be crucial to restoring overall market confidence.

Based on the above, we are of the view that performance of the Group's Apparel Business (including both distribution and manufacturing of garments, and granting of licenses of its brand name) will likely be uncertain in the near term with volatile profitability, if any. Such challenges had continued during FY2024 where turnover from wholesaling business and licensing fee experienced decline of about 9% and 10% respectively compared to FY2023. The Property Business meanwhile will continue to be subject to weakness of the commercial and industrial property rental markets in the PRC and in Hong Kong. In particular, we believe strong headwind can be expected for property sales of its residential development project. The pace of its property sales will be highly correlated to the recovery of PRC's real estate market. As at the Latest Practicable Date, according to the Management, the timing of when the Group will be able to sell all the 698 unsold units in its property development project in Meixian remains uncertain. Accordingly, the progress and extent to which the valuation assigned to this project as detailed in the Property Valuation Reports can be realised are uncertain.

2. Background information of the Offeror

2.1 *The Offeror and the Offeror Concert Parties*

The Offeror

The Offeror is a company incorporated in Hong Kong with limited liability. The Offeror is currently only implementing the Proposal, and its principal business is investment holding. As at the Latest Practicable Date, its sole shareholder and sole director was Mr. Tsang.

Mr. Tsang

Mr. Tsang is the executive Director, chairman and chief executive officer of the Company. As at the Latest Practicable Date, Mr. Tsang was also the sole shareholder and sole director of the Offeror.

Madam Wong

Madam Wong is the mother of Mr. Tsang.

Top Grade

Top Grade is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, (i) Top Grade was wholly-owned by Hin Chi Family Management, the trustee of Tsang Hin Chi (2007) Family Settlement; (ii) the sole director of Top Grade was Mr. Tsang; and (iii) the sole shareholder and sole director of Hin Chi Family Management was Mr. Tsang.

Tsang Hin Chi (2007) Family Settlement is a family trust established under a deed of settlement dated 4 October 2007 and made between the late Dr. Tsang Hin Chi as the settlor and Hin Chi Family Management as the trustee, the beneficiaries of which are members of the Tsang family including Mr. Tsang.

Silver Disk

Silver Disk is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, (i) Silver Disk was wholly-owned by Top Grade; and (ii) the directors of Silver Desk were Mr. Tsang and Mr. Tsang Chi Mao Jimmy (brother of Mr. Tsang).

Keysonic Development

Keysonic Development is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, (i) Keysonic Development was wholly-owned by Top Grade; and (ii) the directors of Keysonic Development were Mr. Tsang and Mr. Tsang Chi Mao Jimmy (brother of Mr. Tsang).

THC Charities Management

THC Charities Management is a company incorporated in Hong Kong with limited liability and is principally engaged as trustee of a charitable foundation. THC Charities Management is the trustee of Tsang Hin Chi Charitable Foundation. As at the Latest Practicable Date, the sole shareholder of THC Charities Management was Mr. Tsang and the directors of THC Charities Management were Mr. Tsang and Madam Wong.

The Tsang Hin Chi Charitable Foundation is a charitable trust which is exempt from tax under section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), which was controlled by Mr. Tsang as at the Latest Practicable Date.

2.2 *The Offeror's intention in relation to the Company*

As disclosed in the paragraph headed “11. The intentions of the Offeror in relation to the Group” under the section headed “Part VI — Explanatory Statement” of the Scheme Document, as at the Latest Practicable Date, it is the intention of the Offeror for the Group to continue to carry on its existing businesses, and the Offeror had no intention, upon the Scheme becoming effective, to make any material changes to the business and/or disposal or redeployment of assets of the Group, or to make any significant changes to the management of the Company or employment of employees of the Group as a result of the implementation of the Proposal.

As disclosed in the paragraph headed “12. Withdrawal of the listing of the Shares” under the section headed “Part VI — Explanatory Statement” of the Scheme Document, 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, with effect after the Effective Date.

3. *Rationale of the Proposal from the perspectives of the Company and the Scheme Shareholders*

We have considered the rationale of the Proposal from the perspectives of the Scheme Shareholders as well as the Company as follows:

3.1 *From the perspective of the Scheme Shareholders**Opportunities to realise investment in the Company at premium to prevailing market price*

The Cancellation Price is at substantial premium to recent market trading price of Shares as analysed in the section headed “4.1 Historical price performance of the Shares” below. Per our analysis on historical price trend, it is noted that the Share price has not reached the level of the Cancellation Price during the entire Review Period (as defined below), and that it represents a substantial premium of approximately 39.7% over the average closing prices of the Shares during the Review Period. Subsequent to the publication of the Announcement and up to the Latest Practicable Date, the closing prices of the Shares had remained at levels below the Cancellation Price.

Despite the upward movements in the broader equity market as represented by the Hang Seng Index, the Share price performance has remained sluggish with minimal movement for prolonged period of time prior to the recent hike in Share price, which occurred only around the time of publication of the Announcement. We believe the current market trading prices of Shares are underpinned by the presence of the Proposal and the absence or lapse of the Proposal may cause price of the Shares to retreat to levels before the Announcement. Therefore, we concur with the Management that the Proposal offers Scheme Shareholders a reasonable opportunity to sell their Shares at a premium to prevailing market price.

Opportunity to realise investment in the Company regardless of shareholding size

The Company pointed out that the trading liquidity of the Shares has been low, making it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares.

Per our analysis on the trading liquidity of the Shares as discussed in the section headed “4.2 Trading liquidity of the Shares” below, we note that the trading activities in Shares were generally illiquid over the Review Period and the Scheme Shareholders may experience difficulty in disposing of their Shares, and any sale of a significant number of Shares on the market may result in downward pressure on the market price of Shares.

In this respect, we concur that the Proposal represents an opportunity for the Scheme Shareholders to realise their investments in the Company with the certainty of return. We noticed substantial increase in trading liquidity for a couple of days before and after the Announcement. We believe such relatively high volume was similarly triggered by presence of the Proposal and may not be sustainable in the absence of the Proposal.

Uncertainties on business outlook of the Group

As discussed in the sections headed “1.2 Historical financial performance of the Group” and “1.4 Industry and outlook of the Group” above, the Group’s profitability had declined from FY2022 to FY2024. Meanwhile, we note that on one hand, substantial challenges remain in the apparel industry due to overall weak consumer demand and rising global trade uncertainties; on the other hand, while the property markets in the PRC and Hong Kong appear to have stabilised, they yet remain uncertain, with signs of recovery still to be seen.

We are of the view that, unless specific Scheme Shareholders somehow hold opposing views on the outlook of the industries and/or the Group as reported above, the Proposal represents an opportunity to exit their investments in the Company amidst this period of uncertainties affecting the Group’s Apparel Business and the Property Business.

3.2 *From the perspective of the Company*

Avoid the costs associated with maintaining a listing platform and flexibility in formulating long term strategic decisions

Since the Company's listing on the Main Board of the Stock Exchange, the Management advised that the depressed price level and low trading activities of Shares has limited the Company's ability to conduct equity financing to support its business operation and development. In fact, we noted that the Company has not conducted any fund raising through the issuance of Shares or other listed securities in the past ten years.

We consider that given the primary objectives of a listed platform is public equity fund raising; with such ability curtailed, the costs associated with the maintenance of the listing status of the Company may no longer be justifiable. Upon completion of the Proposal, the Company can expect to reduce the administrative costs and management resources to be committed in maintaining its listing status and compliance with regulatory requirements.

In addition, as a private company without having to manage short term public investor expectations, the Company will have more flexibility in implementing long-term strategies in a more cost-efficient manner.

3.3 *Section summary*

In summary, the Proposal (i) on one hand provides the opportunity for the Scheme Shareholders to realise their investment in the Company at substantial premium to prevailing market price with certainty, amidst low trading liquidity of the Shares; and (ii) on the other hand, completion of the Proposal will allow the Company to avoid further costs in maintaining a listing status which has lost its primary function as a fund-raising platform.

4. **The Cancellation Price**

The Cancellation Price of HK\$1.5232 in cash for every Scheme Share cancelled under the Scheme represents:

- (a) a premium of:
 - (i) approximately 4.33% over the closing price of HK\$1.46 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
 - (ii) approximately 24.85% over the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day;
 - (iii) approximately 71.15% over the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
 - (iv) approximately 77.53% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Full Trading Day;

- (v) approximately 76.50% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Full Trading Day;
 - (vi) approximately 72.44% over the average closing price of approximately HK\$0.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;
 - (vii) approximately 65.43% over the average closing price of approximately HK\$0.92 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Full Trading Day;
 - (viii) approximately 57.32% over the average closing price of approximately HK\$0.97 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Full Trading Day; and
 - (ix) approximately 49.02% over the average closing price of approximately HK\$1.02 per Share based on the daily closing prices as quoted on the Stock Exchange for the 360 trading days up to and including the Last Full Trading Day; and
- (b) a discount of:
- (i) approximately 65.88% to the Audited NAV per Share of approximately HK\$4.46 as at 31 December 2024 (calculated based on (i) the Audited NAV of approximately HK\$4,347,155,000 as at 31 December 2024 as extracted from the Company's annual results announcement for the year ended 31 December 2024 and (ii) 973,844,035 Shares in issue as at the Latest Practicable Date); and
 - (ii) approximately 68.26% to the Adjusted NAV per Share of approximately HK\$4.80 (calculated based on (i) the Adjusted NAV of approximately HK\$4,672,898,000 and (ii) 973,844,035 Shares in issue as at the Latest Practicable Date).

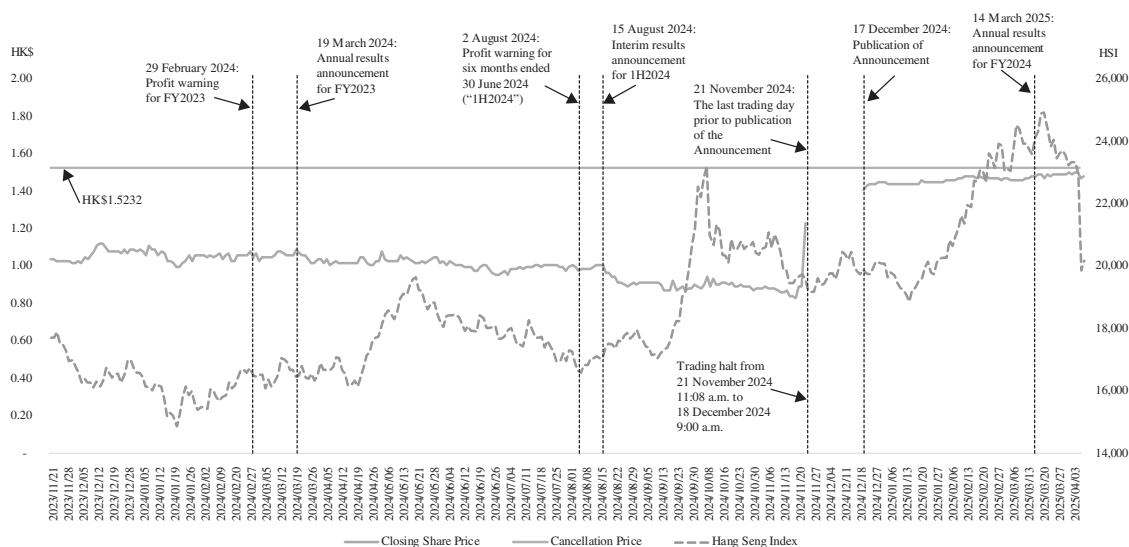
The premiums of the Cancellation Price over the closing price on the Last Full Trading Day and various closing price averages from (a)(iv) to (a)(ix) above appear substantial. While we consider analysis of privatisation precedents not relevant for the reasons explained in the section headed "6. Privatisation precedents" below, for illustrative purposes for example, we note that of the 17 successful privatisation transactions which scheme documents were issued in 2024, the premium of their cancellation prices over their last trading date prices had ranged from nil to 162.8% with an average of 51.8% and median of 33.3%. Only five transactions out of 17 had relevant premiums which were higher than the 71.15% recorded in (a)(iii) above. For the full list of 17 successful privatisation transactions as mentioned above, please refer to the section headed "6. Privatisation precedents".

We note that when comparing with the Group's Audited NAV per Share as at 31 December 2024 and the Adjusted NAV per Share, the Cancellation Price represents discounts of approximately 65.88% and 68.26% respectively to the aforementioned figures. In this regard, we have examined the historical trading pattern of the closing price of Share relative to its Audited NAV per Share during the Review Period (as defined below) and observed that the Share closing price had consistently traded at varying levels of discount to Audited NAV per Share, ranging from discounts of approximately 66.8% to 81.4%. We therefore consider that the aforementioned discounts of Cancellation Price to Audited NAV per Share as at 31 December 2024 and the Adjusted NAV per Share, which are respectively less than and close to the low end of the range of discounts represented by historical Share closing prices during the Review Period, imply that the market has persistently valued the Company below its net asset value and the Cancellation Price offers an opportunity for the Scheme Shareholders to realise their investments in the Company at a price higher than what the market generally offers, to be justifiable.

According to the paragraph headed "2. Terms of the Proposal" under the section headed "Part VI — Explanatory Statement" of the Scheme Document, the Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

4.1 Historical price performance of the Shares

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the period commencing from 21 November 2023 (which is 12 months prior to the Last Trading Day) to the Last Trading Day ("**Pre-Announcement Period**"), and subsequently up to and including the Latest Practicable Date ("**Post-Announcement Period**") (collectively, the "**Review Period**"). We consider a period of approximately one year is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors' reaction towards the latest developments of the Group, including its financial performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful comparison between these closing prices of the Shares and the Cancellation Price.



Source: The website of the Stock Exchange (www.hkex.com.hk)

During the Review Period, the highest and lowest closing prices of the Shares were HK\$1.48 per Share recorded on 31 March 2025 and 2 and 3 April 2025, and HK\$0.83 per Share recorded on 18 November 2024 respectively. The average daily closing price per Share over the Review Period was approximately HK\$1.09 per Share. The Cancellation Price, being HK\$1.5232 per Scheme Share, represents a substantial premium of approximately 39.7% over such average of closing prices.

As illustrated in the graph above, the Cancellation Price is higher than the closing prices of the Shares during the entire Review Period. During the Pre-Announcement Period, the Cancellation Price represents substantial premiums ranging from approximately 24.9% to 83.5% over the closing prices of the Shares. We note that, in general, the closing prices of the Shares remained flat during the Pre-Announcement Period (i.e. between 21 November 2023 to 21 November 2024). Since commencement of the Review Period until mid-December 2023, the Company had conducted a number of on-market Share buybacks on 18 market days, with a total of 4,217,000 Shares being bought back at buyback prices ranging from HK\$1.01 per Share to HK\$1.11 per Share; however, the effect appears to be nominal. The closing prices of the Shares had traded between HK\$1.01 per Share and HK\$1.11 per Share during the aforementioned period. Thereafter and up to mid-August 2024, the Share closing price remained relatively stable and traded between HK\$0.95 per Share and HK\$1.10 per Share. During the aforementioned period (i.e. between 18 December 2023 to 15 August 2024), the Company announced profit warnings for FY2023 and the six months ended 30 June 2024 (“1H2024”) on 29 February 2024 and 2 August 2024 respectively. Subsequent to the Company’s publication of its interim results announcement for 1H2024 on 15 August 2024, the Share closing price was on a slight downward trend and reached its lowest at HK\$0.83 per Share on 18 November 2024. Immediately preceding the suspension of trading of the Shares at 11:08 a.m. on 21 November 2024, the Share closing price surged from HK\$0.89 per Share on the Last Full Trading Day to HK\$1.22 per Share on the Last Trading Day.

During the Post-Announcement Period, and when the trading of the Shares resumed at 9:00 a.m. on 18 December 2024 following the publication of the Announcement in relation to the Proposal, the Share closing price increased to levels close to the Cancellation Price. As at the Latest Practicable Date, the Share price closed at HK\$1.46 per Share. We are of the view that the current Share prices are underpinned by the presence of the Proposal and the absence or lapse of the Proposal may cause price of the Shares to retreat to levels before the Announcement.

Overall, considering the Cancellation Price is higher than the closing prices of the Shares during the entire Review Period, and that it represents a substantial premium of approximately 39.7% over the average of closing prices of the Shares during the Review Period, we are of the view that the Cancellation Price is fair and reasonable from the point of view of the historical trading price of the Shares.

4.2 Trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares as compared to the total number of issued Shares and Shares held by the Scheme Shareholders during the Review Period.

Month	Number of trading days	Average daily trading volume (number of Shares)	Approximate % of average daily trading volume to total number of issued Shares as at the month end	Approximate % of average daily trading volume to total number of issued Shares held by the Scheme Shareholders
2023				
November (from 21 November) ^(note 1)	8	431,375	0.044%	0.142%
December ^(note 1)	19	292,263	0.030%	0.096%
2024				
January	22	70,136	0.007%	0.023%
February	19	168,000	0.017%	0.055%
March	20	168,700	0.017%	0.055%
April	20	127,165	0.013%	0.042%
May	21	258,714	0.027%	0.085%
June	19	125,842	0.013%	0.041%
July	22	133,545	0.014%	0.044%
August	22	121,180	0.012%	0.040%
September	19	109,105	0.011%	0.036%
October	21	332,381	0.034%	0.109%
November (up to the Last Trading Day) ^(note 2)	15	2,063,667	0.212%	0.678%
December (from 18 December) ^(note 2)	8	5,524,125	0.567%	1.815%
2025				
January	19	442,000	0.045%	0.145%
February	20	715,750	0.073%	0.235%
March	21	520,905	0.053%	0.171%
April (up to the Latest Practicable Date)	5	671,972	0.069%	0.221%

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) The Company had conducted a number of on-market Share buybacks on 18 market days since commencement of the Review Period until mid-December 2023, with a total of 4,217,000 Shares being bought back at buyback prices ranging from HK\$1.01 per Share to HK\$1.11 per Share.
- (2) The Shares were suspended for trading from 11:08 a.m. on 21 November 2024 to 9:00 a.m. on 18 December 2024.

As illustrated in the above table, the percentage of average daily trading volume to (i) the total number of issued Shares; and (ii) the total number of Shares held by the Scheme Shareholders, ranged from approximately 0.007% to approximately 0.567% and approximately 0.023% to approximately 1.815% respectively. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 295,920 Shares, representing approximately 0.030% of the total number of issued Shares and approximately 0.097% of the total number of Shares held by the Scheme Shareholders as at the Last Trading Day.

We note that the trading volume of Shares increased after the publication of the Announcement where during the Post-Announcement Period, the average daily trading volume of Shares amounted to approximately 1,112,395 Shares, representing approximately 0.114% of the total number of issued Shares and approximately 0.366% of the total number of Shares held by the Scheme Shareholders as at the Latest Practicable Date. It can be concluded that the presence of the Proposal has spurred trading activities in the Shares which otherwise had been generally illiquid during the Pre-Announcement Period.

In the absence of the Proposal, Scheme Shareholders will only be able to dispose of their Shares on-market to realise their investment in the Company. Considering the thin trading volume of Shares during the Pre-Announcement Period, Scheme Shareholders may experience difficulty in disposing of their Shares, and any sale of a significant number of the Shares on the market may result in downward pressure on the market price of Shares.

4.3 Comparable analysis

Comparable analysis involves determining the relative value of a company by comparing it to other companies in the similar industries and engaged in similar business.

To assess the fairness and reasonableness of the Cancellation Price, we have performed analysis on the price-to-earnings ratio (the “**P/E Ratio(s)**”), being a common parameter in assessing a company’s value, of companies which are listed on the Stock Exchange and are engaged in similar businesses of the Group for comparison purpose (the “**Comparable(s)**”). Given that only one Comparable is profit-making in its latest financial year, we have also made reference to the price-to-sales ratio (the “**P/S Ratio(s)**”) of the Comparables, being another commonly used valuation yardstick for analysis. In addition, considering the Property Business of the Company is asset-heavy, we have also compiled the price-to-book ratio (the “**P/B Ratio(s)**”) of the Comparables for analysis.

We have set the following selection criteria for the purpose of identifying Comparables:

- (i) company whose shares are listed on the Main Board of the Stock Exchange where the Company is similarly listed on;
- (ii) company that possesses self-owned apparel brands; and

- (iii) whose principal businesses included both (a) apparel business; and (b) property development and/or investment business (i.e. having generated revenue from both apparel sales and property-related activities or which asset compositions consist of these two segments of activities, and both businesses are classified as reportable segments in the financial statements of their respective latest published interim/annual report), and primarily in Greater China.

Based on the above criteria, we have identified four Comparables, being Crocodile Garments Limited, High Fashion International Ltd, Huicheng International Holdings Ltd and China Ting Group Holdings Limited. The list is exhaustive based on those selection criteria above. Cognisant that there exists no company which can be of exactly the same business model, scale of operation, trading prospect, target markets, product mix and capital structure as the Company and we have not conducted any in-depth investigation into the business and operations of the Comparables save for the aforesaid selection criteria, and an observation that the proportion of revenue or asset compositions between apparel and property businesses of the Comparables may vary from year to year and may not be exactly the same as the Group, we believe that the Comparables selected are appropriate to serve as a benchmark reference for our comparable analysis purpose, which reflects the prevailing market sentiment towards this business sector and business models for companies similarly engaged in both the apparel and property businesses, and which are also listed on the same platform (i.e. Main Board of the Stock Exchange).

Our relevant findings are summarised in the following table:

Stock code	Company name	Principal business	Segment information	Market capitalisation ⁽¹⁾ (HK\$'000)	Revenue ⁽²⁾ (HK\$'000)	Net profit/(loss) ⁽³⁾ (HK\$'000)	Net asset value ⁽⁴⁾ (HK\$'000)	P/E Ratio ⁽⁵⁾ (times)	P/B Ratio ⁽⁶⁾ (times)	P/S Ratio ⁽⁷⁾ (times)
122	Crocodile Garments Limited	Crocodile Garments Limited ("Crocodile") is a Hong Kong-based investment holding company principally engaged in garment businesses. The company operates through three segments. Garment and related accessories segment is engaged in the retailing and wholesales of fashion apparel and the manufacture of garment. Its products include shirts, outwears, pants and accessories, such as belts, scarves, shoes and bags. Property investment and letting segment is engaged in the investment and letting of properties. Trading of securities segment is engaged in the trading of securities. The company's self-owned brands mainly include "Crocodile" and "CROCO".	During the latest financial year, the revenue generated from Crocodile's garment and related accessories segment accounted for 45.9% of its total revenue, while revenue generated from its property investment segment comprised approximately 54.1% of the total revenue during the same period. Its treasury management segment did not generate any revenue during the same period. According to Crocodile's latest annual report, the assets of its garment and related accessories segment and the property investment segment accounted for approximately 8.3% and 85.8% of its total segment assets respectively. The assets of the treasury management segment accounted for approximately 5.9% of its total segment assets.	144,974	86,876	(108,786)	1,423,947	N/A	0.10	1.67

Stock code	Company name	Principal business	Segment information	Market capitalisation ⁽¹⁾ (HK\$'000)	Revenue ⁽²⁾ (HK\$'000)	Net profit/(loss) ⁽³⁾ (HK\$'000)	Net asset value ⁽⁴⁾ (HK\$'000)	P/E Ratio ⁽⁵⁾ (times)	P/B Ratio ⁽⁶⁾ (times)	P/S Ratio ⁽⁷⁾ (times)
608	High Fashion International Ltd	High Fashion International Ltd (“ High Fashion ”) is an investment holding company principally engaged in the manufacture of garments. The company operates its business through three segments. The manufacturing and trading of garments segment is engaged in the manufacture and trading of men's and women's clothes. The brand business segment is engaged in the retailing of branded products through online order sales. The property investment and development segment is engaged in the development and investment of properties. The company's self-owned brands primarily include “Theme”, “August Silk”, “CSLR”, “Axelledesoie”, “Susan Carlington”, “Camellia Blooms”, “Ai Si” and “SILKISM”.	During the latest financial year, High Fashion generated approximately 96.5% of its total revenue from its manufacturing and trading of garments segment, with the remainder generated from its property investment and development segment. Segment information disclosed in High Fashion's latest annual report or interim report only includes information related to its segment revenue/profits. Notwithstanding this, we note from High Fashion's latest interim report that the aggregate of its investment properties and properties held for sale accounted for approximately 54.2% of its total assets.	501,209	3,336,832	91,681	3,091,058	5.47	0.16	0.15
1146	Huicheng International Holdings Ltd	Huicheng International Holdings Ltd (“ Huicheng ”), formerly China Outfitters Holding Ltd, is an investment holding company primarily engaged in the sale of apparel products and accessories. The company operates its business through two segments. The apparel products and accessories segment is engaged in the design, manufacture, marketing and sale of apparel products and accessories with a focus on menswear. The property development segment is engaged in the business of the development properties. The company is the master licensee for the Santa Barbara Polo & Racquet Club (SBPRC) brand in Mainland China, Hong Kong and Macau, obtaining rights to manufacture, sell, distribute, market, and promote licensed products bearing the SBPRC trademarks, as well as to sublicense these rights to other third parties. The company's self-owned brands primarily include “London Fog”, “Zoo York”, “MCS”, “Henry Cotton's” and “Marina Yachting”.	Huicheng generated all of its revenue from the apparel products and accessories segment during the latest financial year. During the same period, Huicheng did not record any revenue from the sales of properties. According to Huicheng's latest interim report, the assets of its apparel products and accessories segment and the property development segment accounted for approximately 76.4% and 23.6% of its total segment assets respectively.	210,172	167,830	(117,648)	1,045,774	N/A	0.20	1.25

Stock code	Company name	Principal business	Segment information	Market capitalisation ⁽¹⁾ (HK\$'000)	Revenue ⁽²⁾ (HK\$'000)	Net profit/(loss) ⁽³⁾ (HK\$'000)	Net asset value ⁽⁴⁾ (HK\$'000)	P/E Ratio ⁽⁵⁾ (times)	P/B Ratio ⁽⁶⁾ (times)	P/S Ratio ⁽⁷⁾ (times)
3398	China Ting Group Holdings Limited	China Ting Group Holdings Limited ("China Ting") is an investment holding company mainly engaged in the manufacture and sale of garments. The company operates its business through three segments. The OEM (original equipment manufacturer) segment is engaged in manufacture and sale of garments on an OEM basis. The retail segment is engaged in the manufacture and retailing of branded fashion apparel. The property development segment is engaged in property development in Mainland China. Through its subsidiaries, the Company is also engaged in the printing and dyeing of silk and other high quality fabrics in China. The company's self-owned brands mainly include "FINITY", "ELANIE", "RIVERSTONE", "RIVER BEAUTY" and "Trenta".	China Ting's revenue generated from its garment business, which includes the OEM segment and retail segment, accounted for approximately 96.4% of its total revenue during the latest financial year. The remaining revenue was generated from its property development segment during the same period. According to China Ting's latest interim report, the assets of its garment business and the property development segment accounted for approximately 75.8% and 24.2% of its total segment assets respectively.	243,579	1,605,353	(481,425)	1,571,668	N/A	0.15	0.15
							High end	5.47	0.20	1.67
							Low end	5.47	0.10	0.15
							Average	5.47	0.15	0.81
							Median	5.47	0.16	0.70
533	The Company ⁽⁸⁾			1,483,359	1,219,113	93,097	4,672,898	15.93	0.32	1.22

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.93.
- (2) Revenue of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.93.
- (3) The net profit/(loss) attributable to shareholders of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.93.
- (4) The net asset value attributable to shareholders of the Comparables are extracted from their respective latest published annual/interim/quarterly results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.93.
- (5) P/E Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net profit as described in note 3 above.
- (6) P/B Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net asset value as described in note 4 above.

- (7) P/S Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective revenue as described in note 2 above.
- (8) The implied market capitalisation of the Company is calculated based on the Cancellation Price and 973,844,035 issued Shares. The implied P/E Ratio of the Company is calculated based on the implied market capitalisation and divided by the Group's net profit attributable to owners of the Company in FY2024. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Adjusted NAV. The implied P/S Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's turnover in FY2024.

As shown in the above table, from a P/E Ratio perspective, the valuation of the Company, based on the implied market capitalisation arrived at using the Cancellation Price, results in an implied P/E Ratio of approximately 15.93 times. This is significantly higher than the P/E Ratio of the only profit-making Comparable, High Fashion International Ltd, of approximately 5.47 times.

From a P/B Ratio perspective, the valuation of the Company, based on the implied market capitalisation arrived at using the Cancellation Price and the Adjusted NAV, translates into an implied P/B Ratio of approximately 0.32 times. This exceeds the Comparables' median and average P/B Ratios of approximately 0.16 times and 0.15 times respectively, and higher than the P/B Ratio range of the Comparables of approximately 0.10 times to 0.20 times.

In terms of P/S Ratio, the Comparables ranged from approximately 0.15 times to 1.67 times, with a median of approximately 0.70 times and an average of approximately 0.81 times. The valuation of the Company, based on the implied market capitalisation arrived at using the Cancellation Price, leads to an implied P/S Ratio of approximately 1.22 times, which is higher than the Comparables' median and average P/S Ratios, and within the P/S Ratio range of the Comparables.

From the perspective of market comparable analysis based on the commonly adopted references (i.e. P/E Ratio, P/B Ratio and P/S Ratio), it can be shown that the Cancellation Price accorded the Company a valuation which is fair and reasonable.

5. Privatisation precedents

It is disclosed in the section headed "Part VI — Explanatory Statement" of the Scheme Document that the Cancellation Price has been determined, among others, with reference to other privatisation transactions relating to companies listed on the Stock Exchange in recent years. We have set out our observations relating to past privatisations in the section headed "4. The Cancellation Price" above. From our perspective in this case, past privatisation transactions of companies listed on the Stock Exchange are not relevant for our assessment of the fairness and reasonableness of the Cancellation Price considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position as well as trading prospects and hence difference in risk premiums afforded by the market. Accordingly, we did not

consider privatisation precedents as a relevant factor and reason when arriving at our recommendations as set out in the section headed “Recommendations” below. Instead, we consider that the analysis in other sections in this letter to be more pertinent for the Scheme Shareholders to make an informed assessment on the fairness and reasonableness of the Cancellation Price.

For the Scheme Shareholders’ reference only, we set out below our observations from the list of successful privatisation transactions which scheme documents were issued in 2024. The list is exhaustive based on these criteria.

				Premium represented by the cancellation/offer price over closing share price on the last full trading day as extracted from the respective scheme document/ circular
	Date of scheme document/circular	Company name	Stock code	
1.	23 January 2024	Weiqiao Textile Company Limited	2698	104.7%
2.	26 January 2024	Sinosoft Technology Group Limited	1297	29.4%
3.	23 February 2024	Bank of Jinzhou Co., Ltd.	416	0.0%
4.	8 March 2024	Vinda International Holdings Limited	3331	13.5%
5.	27 March 2024	CIMC Vehicles (Group) Co., Ltd.	1839	16.5%
6.	28 March 2024	Intellicentrics Global Holdings Ltd.	6819	19.3%
7.	24 May 2024	SciClone Pharmaceuticals (Holdings) Limited	6600	33.9%
8.	28 June 2024	Kin Yat Holdings Limited	638	33.3%
9.	2 July 2024	L’Occitane International S.A.	973	30.8%
10.	19 July 2024	Huafa Property Services Group Company Limited	982	30.6%
11.	29 July 2024	A8 New Media Group Limited	800	162.8%
12.	28 August 2024	Asia Standard Hotel Group Limited	292	52.8%
13.	4 October 2024	Samson Holding Ltd.	531	77.8%
14.	25 October 2024	Eggriculture Foods Ltd.	8609	125.1%
15.	19 November 2024	CM Hi-Tech Cleanroom Limited	2115	25.0%
16.	16 December 2024	Beijing Capital Grand Limited	1329	46.6%
17.	20 December 2024	Doyen International Holdings Limited	668	78.6%
			High end	162.8%
			Low end	0.0%
			Average	51.8%
			Median	33.3%
		The Company	533	71.15%

RECOMMENDATIONS

In summary, we have considered the below factors and reasons in arriving at our conclusion and recommendations in relation to the Proposal and the Scheme.

- (a) Our analysis in the section headed “**1.2 Historical financial performance of the Group**” shows that the Group’s turnover had been on a down trend with both Apparel Business and Property Business recording lower turnover from FY2022 to FY2024. Real estate market weakness also resulted in continuous recognition of fair value losses on investment properties in FY2022 up to during FY2024. While the Group had been able to remain profitable, the level of profit had experienced substantial decline.
- (b) The Group had maintained a stable financial position and strong liquidity position as set out in the section headed “**1.2 Historical financial performance of the Group**”. This should allow it to weather the current economic downturn which has negatively impacted both segments of its businesses in the past two financial years.
- (c) As detailed in the section headed “**1.4 Industry and outlook of the Group**”, the performance of the Group’s Apparel Business will likely be uncertain in the near term with volatile profitability, if any. Such challenges had continued during FY2024 where turnover from wholesaling business and licensing fee experienced decline of about 9% and 10% respectively compared to FY2023. The Property Business meanwhile will continue to be subject to weakness of the commercial and industrial property rental markets in the PRC and in Hong Kong. In particular, we believe strong headwind can be expected for property sales of its residential development project. The pace of its property sales will be highly correlated to the recovery of PRC’s real estate market.
- (d) Our observation in the section headed “**1.3 Dividends**” shows that the dividends paid by the Company to its shareholders had reduced over the past few years, likely reflecting the precarious and difficult operating environment the Group had faced. Having considered the Group’s level of profit and the operating environment as discussed in (a) and (c) above, absolute amount of dividend to be declared and paid may remain at lower levels in the near term.
- (e) As detailed in the section headed “**3. Rationale of the Proposal from the perspectives of the Company and the Scheme Shareholders**”, the Proposal enables the Scheme Shareholders to realise their investment in the Company at substantial premium to prevailing market price with certainty, amidst low trading liquidity of the Shares; on the other hand, completion of the Proposal will allow the Company to avoid further costs in maintaining a listing status which has lost its primary function as a fund-raising platform.

- (f) The Cancellation Price is higher than the closing prices of the Shares during the entire Review Period, and that it represents a substantial premium of approximately 39.7% over the average of closing prices of the Shares during the Review Period, as detailed in the section headed “**4.1 Historical price performance of the Shares**”.
- (g) The trading volume of the Shares had been generally thin during the Review Period as detailed in the section headed “**4.2 Trading liquidity of the Shares**” and the Proposal provides an opportunity for the Scheme Shareholders to realise their investment in the Company for cash at the fixed Cancellation Price regardless of the number of Shares they hold without exerting downward pressure on the market price of the Shares.
- (h) The comparable analysis based on commonly adopted parameters and selection criteria as detailed in the section headed “**4.3 Comparable analysis**” shows that (i) the implied P/E Ratio based on the Cancellation Price is significantly higher than the P/E Ratio of the only profit-making Comparable; (ii) the implied P/B Ratio is higher than the respective Comparables’ median and average P/B Ratios and exceeds the Comparables’ P/B Ratios range; and (iii) the implied P/S Ratio is higher than the respective Comparables’ median and average P/S Ratios and within the Comparables’ P/S Ratios range.
- (i) While the Cancellation Price represents a discount to the Group’s Audited NAV per Share as at 31 December 2024 and the Adjusted NAV per Share, which is in itself unfavourable, this phenomenon however appears common for Stock Exchange-listed issuers in the industry which the Group operates in and under the current market environment, as observed in the market comparable analysis set out in the section headed “**4.3 Comparable analysis**”. Our analysis in the section headed “**4. The Cancellation Price**” also shows that the Share closing price had consistently traded at varying levels of discount to Audited NAV per Share, ranging from discounts of approximately 66.8% to 81.4%. We therefore consider that the aforementioned discounts of Cancellation Price to Audited NAV per Share as at 31 December 2024 and the Adjusted NAV per Share to be justifiable.

In light of the above and there appears no current prospect of any alternative offer or proposal that may be of better terms than the Proposal, we consider that the Proposal and the Scheme offer the Scheme Shareholders an immediate assured opportunity to exit their investment in the Company at the fixed Cancellation Price and to monetise and possibly reallocate their investment in the Company towards other investments that they may consider more attractive in terms of outlook and potential dividend payout.

Considering the above, we (i) are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Scheme Shareholders are concerned; and (ii) advises the Independent Board Committee to recommend the Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

As different Scheme Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Scheme 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.

Scheme Shareholders are reminded that they should make their decisions to dispose of or retain their investments, having regard to their own circumstances and investment objectives and are reminded to closely monitor the market price and liquidity of the Company during the Offer Period, and they may consider selling their Shares in the open market, where possible, if the net proceeds (after deducting all transaction costs) exceed the net amount to be received under the Proposal.

Scheme Shareholders and potential investors of the Company should be aware that, if approved, the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting.

Yours faithfully,
For and behalf of
Altus Capital Limited

Jeanny Leung
Responsible Officer

Chang Sean Pey
Responsible Officer

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Chang Sean Pey (“**Mr. Chang**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

This Explanatory Statement constitutes the statement required under section 671 of the Companies Ordinance.

1. INTRODUCTION

Reference is made to the Announcement.

On 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatization of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance, which, if implemented, would result in the Company becoming wholly-owned by the Offeror and the Offeror Concert Parties and the withdrawal of listing of the Shares from the Stock Exchange.

The purpose of this Explanatory Statement is to explain the terms and effects of the Proposal and to provide Scheme Shareholders with other relevant information in relation to the Proposal.

2. TERMS OF THE PROPOSAL

The Proposal will be implemented by way of a scheme of arrangement under section 673 of the Companies Ordinance.

As at the Latest Practicable Date, (i) the issued and paid-up share capital of the Company was HK\$1,101,357,687.46 which comprised 973,844,035 Shares in issue; (ii) the Offeror did not hold any Shares and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the issued Shares; (iii) the Scheme Shareholders held 304,314,535 Shares, representing approximately 31.25% of the issued Shares; and (iv) there were no outstanding options, warrants, derivatives or securities convertible into Shares.

Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the cancellation price of HK\$1.5232 in cash, less the Dividend Adjustment (if any), for each Scheme Share cancelled;
- (b) the share capital of the Company will, on the Effective Date, be reduced by cancelling 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 is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the New Shares so issued, credited as fully paid, to the Offeror. The Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold approximately 31.25% of the issued share capital of the Company; and

- (c) the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect after the Effective Date.

Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$1.5232 per Scheme Share, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash.

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

If, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Scheme Shares, the Offeror expressly reserves the right to reduce the Cancellation Price by the Dividend Adjustment, in which case any reference in this Scheme Document, the Announcement or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

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

Comparison of value

The Cancellation Price of HK\$1.5232 in cash for every Scheme Share cancelled under the Scheme represents:

- (a) a premium of:
 - (i) approximately 4.33% over the closing price of HK\$1.46 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
 - (ii) approximately 24.85% over the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day;
 - (iii) approximately 71.15% over the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
 - (iv) approximately 77.53% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Full Trading Day;

- (v) approximately 76.50% over the average closing price of approximately HK\$0.86 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Full Trading Day;
 - (vi) approximately 72.44% over the average closing price of approximately HK\$0.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;
 - (vii) approximately 65.43% over the average closing price of approximately HK\$0.92 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Full Trading Day;
 - (viii) approximately 57.32% over the average closing price of approximately HK\$0.97 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Full Trading Day;
 - (ix) approximately 49.02% over the average closing price of approximately HK\$1.02 per Share based on the daily closing prices as quoted on the Stock Exchange for the 360 trading days up to and including the Last Full Trading Day; and
- (b) a discount of:
- (i) approximately 65.88% to the Audited NAV per Share of approximately HK\$4.46 as at 31 December 2024 (calculated based on (1) the Audited NAV of approximately HK\$4,347,155,000 as at 31 December 2024 as extracted from the Company's annual results announcement for the year ended 31 December 2024 and (2) 973,844,035 Shares in issue as at the Latest Practicable Date); and
 - (ii) approximately 68.26% to the Adjusted NAV per Share of approximately HK\$4.80 (calculated based on (1) the Adjusted NAV of approximately HK\$4,672,898,000 and (2) 973,844,035 Shares in issue as at the Latest Practicable Date).

The Cancellation Price was determined by the Offeror after taking into account, among other things, the recent and historical prices of the Shares and trading volume of the Shares, the historical financial performance and business prospects of the Group, and the factors set out in the section headed “4. *Reasons for and benefits of the Proposal*” below, with reference to other privatization transactions relating to companies listed on the Stock Exchange in recent years.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.48 per Share on 31 March 2025, 2 April 2025 and 3 April 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.83 per Share on 18 November 2024.

3. FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$1.5232 per Scheme Share and 304,314,535 Scheme Shares in issue as at the Latest Practicable Date, and assuming that there is no change in the shareholding of the Company before the Scheme Record Date, the maximum amount of cash consideration required for the cancellation of the Scheme Shares is approximately HK\$463.5 million.

The Offeror intends to finance the cash requirement for the Proposal through its internal financial resources.

GF Capital has been appointed as the financial adviser to the Offeror in respect of the Proposal, and is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL**4.1 For the Scheme Shareholders*****(a) Unique opportunity to fully monetize investment with limited liquidity***

The trading liquidity of shares has remained consistently low for a sustained period of time. The average daily trading volume of the Shares for the 3, 6 and 12 months leading up to and including the Last Full Trading Day were approximately 192,613 Shares, 167,508 Shares and 180,517 Shares, respectively, representing only 0.020%, 0.017% and 0.019% of the issued Shares respectively as at the Latest Practicable Date. The low trading liquidity would be challenging for the Independent Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose a large number of Shares when any event that has an adverse impact on the Company's Share price occurs. The Proposal provides an exceptional and immediate opportunity for the Scheme Shareholders to exit and realize their investments in the Company at an attractive premium over the prevailing Share price and to reallocate the proceeds from the disposal of the Shares to alternative investment opportunities.

(b) Unlocking shareholder value at an attractive premium

Notwithstanding that the Cancellation Price represents a discount of approximately 65.88% and 68.26% to the Audited NAV per Share as at 31 December 2024 and the Adjusted NAV per Share of approximately HK\$4.46 and HK\$4.80, respectively, the Proposal provides an attractive opportunity for the Scheme Shareholders to monetize their investments at a premium over the prevailing Share price. The Cancellation Price represents a premium of approximately 71.15% and 4.33% over the closing price of HK\$0.89 and HK\$1.46 per Share as at the Last Full Trading Day and the Latest Practicable Date, respectively, as well as a premium of approximately 77.53%, 76.5%, 72.44%, 65.43%, 57.32% and 49.02% over the average closing price of approximately HK\$0.86, HK\$0.86, HK\$0.88, HK\$0.92, HK\$0.97 and HK\$1.02 per share for the 5, 10, 30, 90, 180 and 360 trading days up to and including the Last Full Trading Day, respectively.

(c) Realize gains amidst current uncertain market conditions

The Proposal provides the Scheme Shareholders with an opportunity to realise their investment in the Company considering the prevailing uncertain market conditions influenced by geopolitical factors and uncertain sentiment in the broader equity markets. The Hang Seng Index has decreased by 26.72% in the last five years prior to the Announcement Date and 36.61% from its highest point in 2021 to the Last Full Trading Day, whilst the PRC equity markets have been subject to uncertainties in the face of geopolitical developments and an environment of increasing interest rates. During the recent H share and A share market rally from around September 2024 to October 2024, the Company's share price exhibited minimal movement, which may indicate that the Company's share price did not necessarily fully reflect broader equity market valuation trends given historically relatively low trading volumes.

4.2 For the Company

The Company has faced headwinds in its business over the past few years due to the combined impact of declining consumption, real estate crisis and unfavourable external factors in Greater China. With the Company's revenue and net profit continuing to decrease since 2022, the Company expects the PRC economy may not significantly improve in the short term which may put the Company's performance under continued pressure. By becoming a privately-held entity, the Company may be able to execute additional long-term strategic decisions to address the current operating situation, without being constrained by capital market expectations, regulatory costs, disclosure obligations, or the influence of short-term market and investor sentiment.

Considering the low trading volume of shares on the market, and the Company not having utilized its listing status for capital fund raising activities in the past 20 years, the Company considers that its listing status on the Stock Exchange has become less relevant as a fundraising source for the Company's business and growth in the future. The Proposal, which entails the delisting of the Company, is expected to simplify the operational processes and reduce management resources and administrative costs associated with maintaining the Company's listing status and compliance with regulatory requirements. The privatization would streamline the Company's operations and reduce complexities associated with being a listed company.

As Mr. Tsang, the executive Director, chairman and chief executive officer of the Company, is also the sole shareholder and sole director of the Offeror, and is one of the Offeror Concert Parties, Mr. Tsang is considered to have a material interest in the Proposal and the Scheme, and is required to abstain and has abstained from voting on the board resolutions of the Company in relation to the Proposal and the Scheme. Save as disclosed above, no other Director has a material interest in the Proposal and the Scheme, or is required to abstain from voting on the board resolutions of the Company in relation to the Proposal and the Scheme.

The Independent Board Committee, having considered the terms of the Proposal, and having taken into account the advice of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned and recommends the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme.

Independent Shareholders are reminded to refer to the details of the Proposal set out in this Scheme Document, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee in respect of the Proposal, before deciding whether or not to accept the Proposal.

5. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that:
 - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the TC Disinterested Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the TC Disinterested Shares held by the Independent Shareholders;
- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting, in person or by proxy, at the General Meeting (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled;
- (c) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) all necessary Authorizations which are material in the context of the Group taken as a whole and other registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (f) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms); and
- (g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms.

None of Conditions (a) to (d) above may be waived. The Offeror reserves the right to waive any of the Conditions (e) to (g), either in whole or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

The conditions under paragraphs (h)(i) and (ii) in the section headed “5. *Conditions of the Proposal and the Scheme*” of the Joint Announcement have been removed following the directions hearing of the High Court and no longer form part of the Conditions.

All of the Conditions will have to be fulfilled or waived (as applicable), on or before the Long Stop Date, failing which the Proposal will lapse.

With reference to the Condition in paragraph (e), as at the Latest Practicable Date, neither the Offeror nor the Company is aware of any requirement for such Authorizations, approvals, permissions, waivers, consents, enquiry, registrations or filings other than those set out in the Conditions in paragraphs (a) to (d). With reference to the Condition in paragraph (f), as at the Latest Practicable Date, neither the Offeror nor the Company is aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order. With reference to the Condition in paragraph (g), as at the Latest Practicable Date, neither the Offeror nor the Company is aware of any such non-compliance or legal or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (d).

The Scheme is subject to the requirement under section 674(2) of the Companies Ordinance that members representing at least 75% of the voting rights of the members present and voting (in person or by proxy) at the Court Meeting agree to the Scheme, and the requirement under Rule 2.10 of the Takeovers Code that the Scheme must be approved by at least 75% of the votes attaching to the disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) that are cast (in person or by proxy) at the meeting of the holders of the disinterested Shares. Accordingly:

- (a) for the purpose of the Companies Ordinance, the 75% approval threshold will be determined by reference to the voting rights of the Scheme Shareholders, who attend and vote (in person or by proxy) at the Court Meeting; and
- (b) for the purpose of the Takeovers Code, the 75% approval threshold will be determined by reference to the votes attaching to all the TC Disinterested Shares held by the Independent Shareholders which are cast (in person or by proxy) at the Court Meeting.

Therefore, in order to satisfy the requirements under both the Companies Ordinance and the Takeovers Code, the 75% approval threshold will be determined by reference to the Shares held by the Scheme Shareholders (all of which are also Independent Shareholders as at the Latest Practicable Date) who attend and vote at the Court Meeting.

The Scheme is also subject to the requirement under section 674(2) of the Companies Ordinance that the votes cast against the Scheme at the Court Meeting shall not exceed 10% of the voting rights attached to all disinterested Shares (as defined in section 674(3) of the Companies Ordinance), and the requirement under Rule 2.10 of the Takeovers Code that the number of votes cast against the resolution to approve the Scheme at the meeting of the holders of disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) shall not be more than 10% of the votes attaching to all disinterested Shares. Accordingly, all Scheme Shares (i.e. all the Shares in issue as at the Record Date, other than any Shares directly or indirectly held or beneficially owned by the Offeror (if any) and the Offeror

Concert Parties) will be regarded as disinterested Shares for the purpose of both the Companies Ordinance (i.e. the CO Disinterested Shares) and the Takeovers Code (i.e. the TC Disinterested Shares), and the CO Disinterested Shares and the TC Disinterested Shares refer to the same pool of shares.

As at the Latest Practicable Date, the Independent Shareholders held 304,314,535 Scheme Shares in aggregate. On that basis, 10% of the votes attached to TC Disinterested Shares held by all the Independent Shareholders would therefore represent approximately 30,431,454 Scheme Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived (where applicable).

If approved, the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting.

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional advisers and obtain independent professional advice.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued and paid-up share capital of the Company was HK\$1,101,357,687.46 which comprised 973,844,035 Shares in issue;
- (b) no options were outstanding under the Share Option Scheme and the Share Option Scheme had lapsed on 22 May 2024;
- (c) other than the 973,844,035 Shares in issue, the Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares;
- (d) the Offeror did not hold any Shares, and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the total number of Shares in issue, details of which are set out in the table below;

- (e) members of the GF Capital group, being Offeror Concert Parties, did not beneficially own, control or have direction over any Shares;
- (f) save as disclosed in sub-paragraph (d) above, the Offeror and the Offeror Concert Parties did not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;
- (g) the Scheme Shares comprised a total of 304,314,535 Shares held or beneficially owned by the Scheme Shareholders, representing approximately 31.25% of the issued share capital of the Company;
- (h) neither the Offeror nor the Offeror Concert Parties had entered into any outstanding derivative in respect of the securities in the Company;
- (i) neither the Offeror nor the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (j) neither the Offeror nor the Offeror Concert Parties had dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period; and
- (k) all Shareholders (other than the Offeror Concert Parties) were considered as Independent Shareholders for the purpose of the Takeovers Code and holders of CO Disinterested Shares for the purpose of the Companies Ordinance.

Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties will directly or indirectly hold 100% of the issued share capital of the Company and the Offeror will directly hold approximately 31.25% of the issued share capital of the Company.

On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	No. of Shares	Approximate % (Note 1)	No. of Shares	Approximate % (Note 1)
Offeror (Note 2)	—	—	304,314,535	31.25
Offeror Concert Parties (Note 2)				
— Top Grade (Note 3)	407,418,750	41.84	407,418,750	41.84
— Silver Disk (Note 3)	160,616,000	16.49	160,616,000	16.49
— Keysonic Development (Note 3)	45,000,000	4.62	45,000,000	4.62
— Mr. Tsang (Note 4)	1,404,000	0.14	1,404,000	0.14
— THC Charities Management (Note 5)	53,880,750	5.53	53,880,750	5.53
— Madam Wong (Note 6)	1,210,000	0.12	1,210,000	0.12
Aggregate number of Shares held by the Offeror and Offeror Concert Parties	669,529,500	68.75	973,844,035	100.00
Scheme Shareholders (Note 7)	304,314,535	31.25	—	—
Total number of Shares	973,844,035	100.00	973,844,035	100.00

Notes:

- (1) The shareholding percentages in the table are subject to rounding adjustment.
- (2) The Shares beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties will not form part of the Scheme Shares and will not be voted at the Court Meeting. Under the Scheme, Shares held by the Offeror and the Offeror Concert Parties will not be cancelled. The issued share capital of the Company will, on the Effective Date, be reduced by cancelling all the Scheme Shares, and forthwith upon such reduction, the 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 Shares as is equal to the number of Scheme Shares cancelled.
- (3) As at the Latest Practicable Date, Hin Chi Family Management as trustee of the Tsang Hin Chi (2007) Family Settlement, held all of the issued share capital of Top Grade. Top Grade was interested in a total of 613,034,750 Shares including 160,616,000 Shares held by Silver Disk and 45,000,000 Shares held by Keysonic Development, each a wholly-owned subsidiary of Top Grade.
- (4) These Shares were directly held by Mr. Tsang.
- (5) These Shares were directly held by THC Charities Management as trustee of Tsang Hin Chi Charitable Foundation (a charitable trust granted tax exemption under section 88 of the Inland Revenue Ordinance, which is controlled by Mr. Tsang).
- (6) These Shares were directly held by Madam Wong.
- (7) This also represents the number of Independent Shareholders as at the Latest Practicable Date.
- (8) As at the Latest Practicable Date, save for Mr. Tsang, none of the Directors were interested (within the meaning of Part XV of the SFO) in the Shares.

7. SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE

Under section 670 of the Companies Ordinance, where an arrangement is proposed to be entered into by a company with the members, or any class of the members, of the company, the High Court may, on an application made by the company, any of the members or any member of that class, order a meeting of those members or of that class of members, as the case may be, to be summoned in any manner that the High Court directs.

Under section 673 of the Companies Ordinance, if the members or the class of members with whom the arrangement is proposed to be entered into agree or agrees to the arrangement, the High Court may, on application by the company, any of the members or any member of that class, as the case may be, sanction the arrangement. An arrangement sanctioned by the High Court as aforesaid is binding on the members or the class of members with whom the arrangement is proposed to be entered into.

The Scheme is a takeover offer under section 674 of the Companies Ordinance. Under section 674 of the Companies Ordinance, where the arrangement involves a takeover offer, the members or the class of members agree or agrees to the arrangement if, at a meeting summoned as directed by the High Court as aforesaid, members representing at least 75% of the voting rights of the members or the class of members, as the case may be, present and voting, in person or by proxy, agree to the arrangement and the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all CO Disinterested Shares in the company or of the class in the company, as the case may be.

8. BINDING EFFECT OF THE SCHEME

Notwithstanding the fact that there may be a dissenting minority, if the Scheme is approved at the Court Meeting in accordance with the requirements of section 673 of the Companies Ordinance and Rule 2.10 of the Takeovers Code and is sanctioned by the High Court and the other Conditions are either fulfilled or (to the extent permitted) waived, then the Scheme will become binding on the Company and all the Scheme Shareholders.

If the Scheme becomes effective:

- (a) all the Scheme Shares will be cancelled whereupon the issued share capital of the Company shall be reduced and all share certificates for those Scheme Shares cancelled shall cease to have effect as evidence of title;
- (b) the share capital of the Company will then be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of New Shares as is equal to the number of Scheme Shares cancelled;
- (c) the entire amount of credit arising in the Company's books of account as a result of the said reduction of share capital will be applied in paying up in full the New Shares created and such New Shares will be so allotted and issued, credited as fully paid, to the Offeror; and

- (d) the Offeror will pay the Cancellation Price of HK\$1.5232 in cash to the Scheme Shareholders for each Scheme Share held by them on the Scheme Record Date.

9. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

The Offeror

The Offeror is a company incorporated in Hong Kong with limited liability. The Offeror's principal business is investment holding and its only current business is implementing the Proposal. As at the Latest Practicable Date, its sole shareholder and sole director was Mr. Tsang.

Mr. Tsang

Mr. Tsang is the executive Director, chairman and chief executive officer of the Company. As at the Latest Practicable Date, Mr. Tsang was also the sole shareholder and sole director of the Offeror.

Madam Wong

Madam Wong is the mother of Mr. Tsang.

Top Grade

Top Grade is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, (i) Top Grade was wholly-owned by Hin Chi Family Management, the trustee of Tsang Hin Chi (2007) Family Settlement; (ii) the sole director of Top Grade was Mr. Tsang; and (iii) the sole shareholder and sole director of Hin Chi Family Management was Mr. Tsang.

Tsang Hin Chi (2007) Family Settlement is a family trust established under a deed of settlement dated 4 October 2007 and made between the late Dr. Tsang Hin Chi as the settlor and Hin Chi Family Management as the trustee, the beneficiaries of which are members of the Tsang family including Mr. Tsang.

Silver Disk

Silver Disk is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, (i) Silver Disk was wholly-owned by Top Grade; and (ii) the directors of Silver Disk were Mr. Tsang and Mr. Tsang Chi Mao Jimmy (brother of Mr. Tsang).

Keysonic Development

Keysonic Development is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, (i) Keysonic Development was wholly-owned by Top Grade; and (ii) the directors of Keysonic Development were Mr. Tsang and Mr. Tsang Chi Mao Jimmy (brother of Mr. Tsang).

THC Charities Management

THC Charities Management is a company incorporated in Hong Kong with limited liability and is principally engaged as trustee of a charitable foundation. THC Charities Management is the trustee of Tsang Hin Chi Charitable Foundation. As at the Latest Practicable Date, the sole shareholder of THC Charities Management was Mr. Tsang and the directors of THC Charities Management were Mr. Tsang and Madam Wong.

The Tsang Hin Chi Charitable Foundation is a charitable trust which is exempt from tax under section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), which was controlled by Mr. Tsang as at the Latest Practicable Date.

10. INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in (i) the distribution and manufacturing of garments, leather goods and accessories in the PRC (including Hong Kong) and Singapore; (ii) granting of licenses of its brand name for distribution of shoes, leather goods and accessories; and (iii) property investment and development in the PRC (including Hong Kong) and Singapore.

Your attention is also drawn to Appendices I to III to this Scheme Document for further information on the Group.

11. THE INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

As at the Latest Practicable Date, the Offeror intended that the Group will continue to carry on its existing businesses, and the Offeror had no intention, upon the Scheme becoming effective, to make any material changes to the business and/or disposal or redeployment of assets of the Group, or to make any significant changes to the management of the Company or employment of employees of the Group as a result of the implementation of the Proposal.

12. WITHDRAWAL OF THE LISTING OF THE SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as evidence of title.

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, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. An indicative expected timetable in relation to the Proposal is included in the “Expected Timetable” in Part II of this Scheme Document.

13. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on the Offeror making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

14. COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Proposal shall be borne by the Offeror.

Despite the fact that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, the Offeror and the Company have agreed that, in the event that the Scheme is not approved by the Scheme Shareholders or not sanctioned by the High Court, all costs, charges and expenses incurred by the Company and the Offeror in respect of the Scheme and the Proposal will be borne by the Offeror.

15. REGISTRATION AND PAYMENT

Entitlements of the Scheme Shareholders to receive the Cancellation Price

Assuming that the Scheme Record Date falls on Thursday, 26 June 2025, it is proposed that the Register will be closed from Monday, 23 June 2025 onwards (or such other date as the Shareholders may be notified by announcement) in order to determine the entitlements of the Scheme Shareholders to receive the Cancellation Price. During such period, no transfer of Shares will be effected.

In order to qualify for such entitlements to receive the Cancellation Price under the Proposal, all transfers accompanied by the relevant share certificates must be lodged with the office of the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 20 June 2025 (or such other date as the Shareholders may be notified by announcement).

Payment of Cancellation Price to the Scheme Shareholders

Upon the Scheme becoming effective, payment of the Cancellation Price will be made to the Scheme Shareholders whose names appear on the Register as at the Scheme Record Date in accordance with the terms of the Scheme. Cheques for payment of the Cancellation Price to the Scheme Shareholders will be despatched as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. Assuming that the Scheme becomes effective on Monday, 30 June 2025, cheques for payment of the Cancellation Price to the Scheme Shareholders will be despatched on or before Thursday, 10 July 2025.

Cheques for the payment of the Cancellation Price will be sent by ordinary post (by airmail where appropriate) in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the Register in respect of the joint holding. For Beneficial Owners that hold Scheme Shares through a nominee (other than HKSCC Nominees), cheques issued in the name of the nominee will be sent by post in pre-paid envelopes addressed to the nominee. All such cheques will be posted at the risk of the persons entitled thereto and none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital and the Registrar and their respective beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees, cheque(s) will be in envelope(s) addressed to and made available for collection by HKSCC Nominees. Upon receipt of the cheque(s), HKSCC Nominees will cause such cash payment to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

As provided in the Scheme:

- (a) on or after the day being six (6) calendar months after the date of posting the cheques for the payment of the Cancellation Price, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or which has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee);

- (b) the Offeror (or its nominee) shall hold monies represented by such uncashed cheques until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Offeror shall not include an interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies. On the expiry of six years from the Effective Date, the Offeror (and, if applicable, its nominee or successor company) shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the abovementioned deposit account, including accrued interest (if any) subject, if applicable, to any deduction of interest, tax or any withholding tax or any other deduction required by law and expenses incurred; and
- (c) the Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Assuming that the Scheme becomes effective, the Register will be updated accordingly to reflect the cancellation of all the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as evidence of title as from the Effective Date.

Shareholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

16. OVERSEAS SCHEME SHAREHOLDERS

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code, the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

This Scheme Document is not intended to and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Offeror or the Company in any jurisdiction in contravention of applicable law.

The making and implementation of the Proposal to Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdictions. Any Scheme Shareholders and Beneficial Owners who are not residents in Hong Kong should inform themselves about and observe all the applicable legal, tax and regulatory requirements in their own jurisdictions. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, it is prohibited to (a) copy, distribute or publish all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction; (b) disclose its content; or (c) use information contained therein for any purpose other than assessment of the Proposal, unless the information is already publicly available in another form.

It is the responsibility of any overseas Scheme Shareholders and Beneficial Owners wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such Scheme Shareholders and Beneficial Owners in such jurisdictions. It is emphasized that none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital, the Registrar and any of their respective beneficial owners, directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal accepts any responsibility in relation to the above.

Any action taken by such Scheme Shareholders or Beneficial Owners in respect of the Proposal and the Scheme will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including GF Capital, Somerley Capital and Altus Capital, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation and warranty.

As at the Latest Practicable Date, there was one Scheme Shareholder whose address as shown in the Register was outside Hong Kong, and such overseas Scheme Shareholder had registered address in Singapore and held 50,000 Shares (representing approximately 0.01% of the total number of Shares in issue). The Directors had been advised by the local counsel in the aforementioned jurisdiction that there is no restriction under the laws or regulations in the aforementioned jurisdiction against extending the Scheme automatically or despatching this Scheme Document to such overseas Scheme Shareholder. Accordingly, the Scheme will be extended to and this Scheme Document will be despatched to such overseas Scheme Shareholder.

17. TAXATION AND INDEPENDENT ADVICE

As the Scheme does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

Scheme Shareholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal and in particular, whether the receipt of the Cancellation Price will make them liable to taxation in Hong Kong or in other jurisdictions.

It is emphasized that none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital, the Registrar and any of their respective beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible or has any liability for any tax or other effects on, or liabilities of, any person or persons as a result of their approval or rejection, or the implementation, of the Proposal. All Scheme Shareholders and/or Beneficial Owners shall be solely responsible for their liabilities (including tax liabilities) in relation to the Proposal.

18. COURT MEETING AND GENERAL MEETING

Court Meeting

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification). The Scheme will be subject to the approval by holders of Scheme Shares, whose names appear on the Register as at the Meeting Record Date, at the Court Meeting in accordance with the requirements imposed by section 673 of the Companies Ordinance and Rule 2.10 of the Takeovers Code, and in the manner referred to in the section headed “5. *Conditions of the Proposal and the Scheme*” of this Explanatory Statement.

Only Shareholders whose names appear on the Register as at the Meeting Record Date will be eligible to vote at the Court Meeting. Further, only Shares held by such Shareholders who are holders of CO Disinterested Shares will be taken into account for the purpose of ascertaining whether the voting requirement under section 674(2)(a)(ii) of the Companies Ordinance for approving the Scheme has been satisfied, and only Shares held by Independent Shareholders will be taken into account for the purpose of ascertaining whether the voting requirements under Rule 2.10 of the Takeovers Code for approving the Scheme have been satisfied.

As at the Latest Practicable Date, save as disclosed in the section headed “6. *Shareholding Structure of the Company*” of this Explanatory Statement, none of the Directors had any shareholding or any interest (within the meaning of Part XV of the SFO) in the Company.

As at the Latest Practicable Date, none of the Offeror and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the Scheme at the Court Meeting.

Notice of the Court Meeting is set out in Appendix V to this Scheme Document. The Court Meeting will be held at 10:00 a.m. on Friday, 9 May 2025 at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

General Meeting

The General Meeting will be held immediately after the Court Meeting for the purpose of considering and, if thought fit, among other things, passing the special resolution to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

All Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote at the General Meeting.

As at the Latest Practicable Date, none of the Offeror and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the special resolution to be proposed at the General Meeting.

Notice of the General Meeting is set out in Appendix VI to this Scheme Document. The General Meeting will be held at 10:15 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on Friday, 9 May 2025 at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

Results of the Court Meeting and the General Meeting

A joint announcement will be made by the Company and the Offeror on the results of the Court Meeting and the General Meeting no later than 7:00 p.m. on Friday, 9 May 2025.

If the resolution to be proposed at the Court Meeting and the special resolution to be proposed at the General Meeting are passed in fulfilment of the Conditions set out in paragraphs (a) to (b) in the section headed “5. *Conditions of the Proposal and the Scheme*” in this Explanatory Statement, the expected latest day for trading of the Shares on the Stock Exchange is 4:10 p.m. on Friday, 13 June 2025 (or such other date and time as Shareholders may be notified by way of announcement), and trading in the Shares on the Stock Exchange will cease from then onwards, unless the Scheme is withdrawn or lapses in accordance with its terms and the Takeovers Code subsequently, in which event trading in the Shares on the Stock Exchange will resume after the date on which the Scheme is so withdrawn or lapses and further announcement(s) will be made to notify Shareholders and investors of the Company of the exact date and time by which trading of the Shares on the Stock Exchange will resume.

If the resolution to be proposed at the Court Meeting or if the special resolution to be proposed at the General Meeting is not passed in accordance with the Conditions set out in paragraphs (a) to (b) in the section headed “5. *Conditions of the Proposal and the Scheme*” in this Explanatory Statement, the Scheme and the Proposal will lapse and trading in the Shares on the Stock Exchange will not cease from 4:10 p.m. on Friday, 13 June 2025 onwards. Further announcement(s) will be made in this event.

19. ACTIONS TO BE TAKEN

(a) Action to be taken by Shareholders

Entitlements of the holders of the Scheme Shares and the Shareholders to attend and vote at the Court Meeting and the General Meeting

Holders of the Scheme Shares who are entitled to attend and vote at the Court Meeting and Shareholders who are entitled to attend and vote at the General Meeting are those whose names appear on the Register as at the close of business on the Meeting Record Date, being Friday, 9 May 2025.

For the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the Register will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025 (both days inclusive) (or such other dates as the Shareholders may be notified by announcement). During such period, no transfer of Shares will be effected.

In order to qualify to vote at the Court Meeting and/or the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the office of the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 2 May 2025 (or such other date as the Shareholders may be notified by announcement).

Forms of proxy

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the General Meeting are enclosed with each copy of this Scheme Document despatched to the Registered Owners on Friday, 11 April 2025.

Any subsequent transferees of the Shares will need to obtain the relevant form(s) of proxy from the transferors. Alternatively, copies of the forms of proxy can be: (i) obtained from the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong; or (ii) downloaded from the website of either the Stock Exchange at www.hkexnews.hk or the Company at www.goldlion.com.

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person:

- (i) if you are a holder of the Scheme Shares, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting; and
- (ii) if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the General Meeting,

in accordance with the instructions printed on them, and to lodge them at the office of the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

In order to be valid:

- (i) the **pink** form of proxy for use at the Court Meeting should be lodged no later than 10:00 a.m. on Wednesday, 7 May 2025 (or such other date as the holders of the Scheme Shares may be notified by announcement) or if the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting before the taking of the poll, who shall have absolute discretion as to whether or not to accept it; and
- (ii) the **white** form of proxy for use at the General Meeting should be lodged no later than 10:15 a.m. on Wednesday, 7 May 2025 (or such other date as the Shareholders may be notified by announcement).

Completion and return of the relevant form(s) of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish and in such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and the General Meeting. You are therefore strongly urged to attend and vote at the Court Meeting and/or the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

Announcement of the results of the Court Meeting and the General Meeting

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting and, if the resolution to be proposed at the Court Meeting and the special resolution to be proposed at the General Meeting are passed, further announcements will be made in relation to, among other things, the results of the Court Hearing and (if the Scheme is sanctioned) the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange, in accordance with the requirements of the Takeovers Code and the Listing Rules.

Shareholders who have sold/transferred Shares should hand this Scheme Document and accompanying forms of proxy to the purchaser/transferee

If you have sold or transferred all of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

(b) Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner other than HKSCC Nominees

No person shall be recognized by the Company as holding any Shares on trust.

A Beneficial Owner whose Shares are registered in the name of a Registered Owner should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by the Beneficial Owner should be voted at the Court Meeting and/or the General Meeting.

A Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the General Meeting personally should:

- (i) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable the Beneficial Owner to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint the Beneficial Owner as its proxy; or
- (ii) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred and registered in the name of the Beneficial Owner prior to the Meeting Record Date.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

Completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be deemed to have been revoked.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of the form(s) of proxy in respect of the Court Meeting and/or the General Meeting, or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its form(s) of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the General Meeting, such Beneficial Owner should comply with the requirements of such Registered Owner.

(c) Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS

HKSCC Nominees may vote for and against the Scheme in accordance with instructions received from CCASS Participants.

Any Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees must:

- (i) unless such Beneficial Owner is a person admitted to participate in CCASS as an Investor Participant, contact his/her/its broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, the Other CCASS Participant regarding voting instructions to be given to such persons if he/she/it wishes to vote in respect of the Scheme.

The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide For Investor Participants”, “General Rules of HKSCC” and “HKSCC Operational Procedures” in effect from time to time; or

- (ii) if the Beneficial Owner wishes to vote (in person or by proxy) at the Court Meeting and/or the General Meeting, arrange for some or all of such Shares to be withdrawn from CCASS and transferred and registered in the name of the Beneficial Owner prior to the Meeting Record Date.

For withdrawal of Shares from CCASS and registration thereof, the relevant Beneficial Owner will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if his/her/its Shares are held through a financial intermediary, any other relevant fees charged by his/her/its financial intermediary. Such Beneficial Owner should contact his/her/its broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into his/her/its name so as to qualify to attend and vote at the Court Meeting and/or the General Meeting, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in his/her/its name.

20. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, the Offeror and the Company strongly encourage you to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and at the General Meeting.

If you keep any Shares in a share lending programme, the Offeror and the Company urge you to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Shares are deposited in CCASS, the Offeror and the Company encourage you to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Shares should be voted at the Court Meeting and at the General Meeting without delay and/or arrange for some or all of such Shares to be withdrawn from CCASS and transferred and registered in your name (as detailed in the paragraph headed “19. Actions to be taken — (c) Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS” in this Explanatory Statement).

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, the Offeror and the Company would be grateful if you would inform the relevant Beneficial Owners about the importance of arranging for such Shares to be voted. If the Scheme becomes effective, it will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting.

If you are in doubt as to the contents of this Scheme Document, any aspect of the Proposal or any action to be taken, you are encouraged to consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

21. COURT HEARING

It is currently expected that, if the resolution to be proposed at the Court Meeting and the special resolution to be proposed at the General Meeting are passed in fulfilment of the Conditions set out in paragraphs (a) to (b) in the section headed “5. Conditions of the Proposal and the Scheme” in this Explanatory Statement, the Court Hearing will take place on Thursday, 26 June 2025.

Further announcements will be made by the Offeror and the Company in relation to, among other things, the results of the Court Hearing, the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

22. RECOMMENDATION

Your attention is drawn to the following:

- (a) the paragraph headed “*Recommendation*” in the letter from the Board set out in Part III of this Scheme Document;
- (b) the letter from the Independent Board Committee set out in Part IV of this Scheme Document; and
- (c) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document.

23. FURTHER INFORMATION

Further information is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Statement.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Offeror, the Company, GF Capital, Somerley Capital, Altus Capital and the Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal have authorized anyone to provide you with information that is different from that contained in this Scheme Document.

24. PREVAILING TEXT

In case of any inconsistency, the English language texts of this Scheme Document and the accompanying forms of proxy shall prevail over their respective Chinese language texts.

In case of any inconsistency between this “Explanatory Statement” section and the Scheme set out in Appendix IV to this Scheme Document, the latter shall prevail.

25. GENERAL

Given that the Proposal will be implemented by way of the Scheme, compulsory acquisition is not applicable and the Offeror has no powers of compulsory acquisition in relation to the Proposal and the Scheme.

1. FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024. The figures for the years ended 31 December 2022, 2023 and 2024 are extracted from the annual reports of the Company for the years ended 31 December 2022 and 2023 and the annual results announcement of the Company for the year ended 31 December 2024.

The auditor's reports issued by the auditor of the Company, PricewaterhouseCoopers, in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2022, 2023 and 2024 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Summary of Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Save as disclosed below, there was no item of any income or expense which was material in respect of the consolidated financial statements of the Group for each of the three years ended 31 December 2022, 2023 and 2024.

	For the year ended 31 December		
	2024	2023	2022
	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000
Turnover	1,219,113	1,331,456	1,415,709
Cost of sales	(524,132)	(572,941)	(645,919)
Gross profit	694,981	758,515	769,790
Other losses	(27,362)	(47,066)	(57,110)
Selling and marketing costs	(431,341)	(447,488)	(406,197)
Administrative expenses	(155,777)	(162,187)	(153,775)
Operating profit	80,501	101,774	152,708
Interest income	25,681	27,402	22,725
Interest expense	(1,516)	(1,743)	(1,293)
Profit before income tax	104,666	127,433	174,140
Income tax expense	(11,560)	(11,269)	(19,678)
Profit for the year	93,106	116,164	154,462

	For the year ended 31 December		
	2024	2023	2022
	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000
Attributable to:			
Owners of the Company	93,097	116,164	154,462
Non-controlling interests	9	—	—
Total comprehensive income/ (loss) for the year	831	45,427	(69,816)
Attributable to:			
Owners of the Company	822	45,427	(69,816)
Non-controlling interests	9	—	—
	For the year ended 31 December		
	2024	2023	2022
	(audited)	(audited)	(audited)
	HK cents	HK cents	HK cents
Earnings per share for profit attributable to owners of the Company during the year			
— Basic and diluted	9.56	11.87	15.73
Dividend per share			
— Interim	2.0	3.5	3.5
— Final	—	4.0	5.0
	<u>2.0</u>	<u>7.5</u>	<u>8.5</u>

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Company for the year ended 31 December 2022 (the “**2022 Financial Statements**”) are set out on pages 83 to 153 of the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 17 April 2023. The 2022 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). On 27 September 2024, the 2022 Financial Statements were revised and the revised 2022 Financial Statements (the “**Revised 2022 Financial Statements**”) are set out in page 8 to 79 of the document titled “Supplementary note to directors’ report and revised financial statements for the year ended 31 December 2022” published on the website of the Stock Exchange on the same date (the “**2022 Supplementary Note**”). Please also see below direct links to the 2022 Annual Report and the 2022 Supplementary Note:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0417/2023041700415.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092701037.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2023 (the “**2023 Financial Statements**”) are set out on pages 87 to 157 of the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), which was published on 16 April 2024. The 2023 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). On 27 September 2024, the 2023 Financial Statements were revised and the revised 2023 Financial Statements (the “**Revised 2023 Financial Statements**”) are set out in page 8 to 79 of the document titled “Supplementary note to directors’ report and revised financial statements for the year ended 31 December 2023” published on the website of the Stock Exchange on the same date (the “**2023 Supplementary Note**”). Please also see below direct links to the 2023 Annual Report and the 2023 Supplementary Note:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0416/2024041600443.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092701015.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2024 (the “**2024 Financial Information**”) are set out on pages 1 to 11 of the annual results announcement of the Company for the year ended 31 December 2024 (the “**2024 Annual Results Announcement**”), which was published on 14 March 2025. The 2024 Annual Results Announcement is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2024 Annual Results Announcement:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0314/2025031401064.pdf>

The 2022 Financial Statements (as revised by the Revised 2022 Financial Statements), the 2023 Financial Statements (as revised by the Revised 2023 Financial Statements) and the 2024 Financial Information (but not any other part of the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Results Announcement, the 2022 Supplementary Note and the 2023 Supplementary Note in which they respectively appear) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

No figures are not comparable to a material extent because of a change in accounting policy for the last three financial years.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Scheme Document, the Group had the following indebtedness:

Lease Liabilities

The Group had lease liabilities of approximately HK\$22,925,000 in relation to the tenancy agreements in respect of retail spaces and premises, warehouses, offices, equipment and cars in the PRC, Hong Kong and Singapore.

Guarantees

The Group had guarantees of approximately HK\$3,948,000 in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain buyers of the Group’s properties in the PRC.

Save as aforesaid and apart from intra-group liabilities, intra-group guarantees, and normal trade payables in the normal course of business, at close of business on 28 February 2025, the Group did not have any material outstanding (i) debt securities, whether issued and outstanding, authorized or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE

The valuations of the property interests of the Group as at 31 January 2025 were conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (in respect of the property interests in the PRC (including Hong Kong)) and Jones Lang LaSalle Property Consultants Pte Ltd (in respect of the property interests in Singapore) respectively, each an independent property valuer appointed by the Company. The total market value of the property interests as at 31 January 2025 attributable to owners of the Company was approximately HK\$4,064.8 million. The property valuation reports are set out in Appendix II to this Scheme Document.

Based on the 2024 Annual Results Announcement, the Audited NAV as at 31 December 2024 was approximately HK\$4,347.2 million (or approximately HK\$4.4639 per Share, based on 973,844,035 Shares, i.e. the number of Shares in issue as at 31 December 2024 and the Latest Practicable Date).

By taking into account the effect of the net revaluation surplus attributable to owners of the Company arising from the valuations of the aforesaid property interests, the calculation of the Adjusted NAV is set out below:

	<i>HK\$'000</i>
Audited NAV as at 31 December 2024	4,347,155
<i>Adjustments:</i>	
— Net revaluation surplus attributable to owners of the Company (<i>Note 1</i>)	492,906
— Estimated deferred tax on revaluation surplus (<i>Note 2</i>)	(167,163)
Adjusted NAV	4,672,898
Number of Shares as at the Latest Practicable Date	973,844,035
Adjusted NAV per Share (HK\$)	4.7984

Notes:

- (1) This represents the revaluation surplus arising from the excess of the market value of the property interests held by the Group as valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (in respect of the property interests in the PRC (including Hong Kong)) (see section A of Appendix II) and Jones Lang LaSalle Property Consultants Pte Ltd (in respect of the property interests in Singapore) (see section B of Appendix II) as at 31 January 2025 over their corresponding book values as at 31 December 2024.
- (2) This represents the potential PRC corporate income tax attributable to the revaluation surplus on all categories of property interests, and land appreciation tax attributable to the revaluation surplus of property interests with an intention of future sale.

The following is the text of (1) a valuation report prepared for the purpose of incorporation in this Scheme Document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with their valuation as at 31 January 2025 of the property interests held by the Group in the PRC (including Hong Kong); and (2) a valuation report prepared for the purpose of incorporation in this Scheme Document received from Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer, in connection with their valuation as at 31 January 2025 of the property interests held by the Group in Singapore.

A. Property valuation report in respect of the property interests held by the Group in the PRC (including Hong Kong)



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Company Licence No.: C-030171

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公司牌照號碼：C-030171

The Board of Directors
Goldlion Holdings Limited
7/F Goldlion Holdings Centre,
13–15 Yuen Shun Circuit,
Siu Lek Yuen, Shatin, New Territories
Hong Kong

11 April 2025

Dear Sirs,

In accordance with your instructions to value the property interests held by **Goldlion Holdings Limited** (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in Hong Kong and the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 31 January 2025 (the “**Valuation Date**”) for the purpose of incorporation in the composite scheme document jointly published by the Company and Grand Sunny Limited dated 11 April 2025.

VALUATION BASIS

Our valuation has been carried out on a market value basis as defined by International Valuation Standards Council (“**IVSC**”) and adopted by the Hong Kong Institute of Surveyors (“**HKIS**”). Market value is defined as “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION METHODOLOGY

We have valued property nos. 5,12,13 (unsold residential units and car parking space portion) and 14 to 16 by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

We have valued property nos. 1 to 4, 6 to 9,13 (commercial/office and day nursery portion) and 17 to 20 by the income approach due to the properties' current leased out status by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which has been then capitalized to determine the market value at an appropriate capitalization rate.

Where, due to the nature of the buildings and structures of property nos. 10,11 and 13 (cultural and sports activity center and sales center portion), there are unlikely to be relevant market comparable sales readily available, the relevant property interests have been valued by the cost approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the subject properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

VALUATION STANDARDS

This valuation has been prepared in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited; Rule 11 of The Code on Takeovers and Mergers (the “**Takeovers Code**”) published by the Securities and Futures Commission; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

INDEPENDENCY OF THE VALUER

We certify that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules and Rule 11 of the Takeovers Code.

INFORMATION SOURCE

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy and all other relevant matters.

TITLE INVESTIGATION

For properties in the PRC, we have been shown copies of title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates, Real Estate Ownership Certificate and Building Ownership Certificates and other relevant title documents in the PRC and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the legal opinion given by the Company’s PRC Legal Advisor — 北京大成(廣州)律師事務所 on 19 March 2025, concerning the validity of the property interests in the PRC (the “**PRC Legal Opinion**”).

For properties in Hong Kong, we have not been provided with copies of the title documents relating to the property and have caused searches to be made at the Hong Kong Land Registry. However, we have not searched the original documents to verify ownership or to ascertain any amendment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the subject properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

INSPECTION AND INVESTIGATIONS

We have inspected the exterior and, where possible, the interior of the subject properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects is satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the subject properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

For properties located in Hong Kong, the inspection was performed on 28 February 2025 by Mr. Trevor Sham, Director, and Mr. Andy Wong, Valuer. Mr. Sham is a Chartered Surveyor and a Registered General Practice Surveyor with both the Hong Kong Institute of Surveyors and the Royal Institute of Chartered Surveyors. He brings approximately 6 years of valuation experience, specializing in the Hong Kong property market. Mr. Wong has over 3 years of experience handling valuations of Hong Kong properties.

For properties located in the PRC, inspection were conducted from 19 February 2025 to 5 March 2025 by Ms. Cyndi Huang, who is a member of the Royal Institution of Chartered Surveyors and a China Certified Public Valuer and has more than 12 years' experience in the valuation of properties in the PRC, Ms. Evelyn Xu, who is member of the Royal Institution of Chartered Surveyors and has 11 years' experience in valuation of properties in the PRC, Jason Chen, who is a China Certified Public Valuer and has more than 5 years' experience in the valuation of properties in the PRC and Donald Li, who has 4 years' valuation experience in the valuation of properties in the PRC.

CURRENCY

The exchange rates adopted in our valuation are Renminbi (“RMB”)1= Hong Kong (“HKD”)1.06 for Part A properties. Unless otherwise stated, all monetary amounts stated in our valuations are in HKD in respect of the subject properties.

POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which may arise from disposal of property interests in the PRC and Hong Kong mainly comprise the following:

For properties in the PRC: Value-added tax at the rate of 9%, stamp duty at the rate of 0.05% of the transaction amount, land appreciation tax at progressive rates ranging from 30% to 60% on the appreciated amount, corporate income tax at the rate of 25% on the capital gains after deducting the potential tax fee in effecting the sales gain.

For properties in Hong Kong: Not subject to profits tax for capital gain from disposal of properties.

As advised by the Group, except unsold residential units, car parking spaces and portion of the commercial/office units as refer to property no. 13 in the PRC which are held by the Group for sale purpose, the Group intends to hold the rest of the subject properties with no intention to dispose, therefore the likelihood of any relevant potential tax liabilities for the rest of the subject properties being crystallized is remote.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Gilbert C.H. Chan
MRICS MHKIS R.P.S. (GP)
Senior Director

Notes: Gilbert C.H. Chan is a Chartered Surveyor who has 32 years' experience in the valuation of properties in Hong Kong and the PRC and 17 year's valuer's experiences with JLL.

SUMMARY OF VALUES

Abbreviation:

Part A: Property interests held by the Group in the PRC

Part B: Property interest held by the Group in the Hong Kong

Group I: Property interests held for owner occupation

Group II: Property interests held for investment

Group III: Property interest held for sale

“N/A”: Not Available or Not Applicable

Part	Property no.	Market value	Market value	Market value	Total
		in existing state as at the Valuation Date Group I (HKD):	in existing state as at the Valuation Date Group II (HKD):	in existing state as at the Valuation Date Group III (HKD):	market value in existing state as at the Valuation Date Total (HKD):
Part A	1 to 16	374,910,000	1,349,610,000	868,520,000	2,593,040,000
Part B	17 to 20	180,700,000	1,193,000,000	N/A	1,373,700,000
Total		555,610,000	2,542,610,000	868,520,000	3,966,740,000

Notes:

1. We have attributed no commercial value to property no.5 due to lack of proper title certificates. For reference purposes, we are of the opinion that the capital value of such property as at the Valuation Date would be RMB3,500,000 assuming the proper title certificates have been obtained and these buildings could be freely transferred.

THE COMPANY AND ITS SUBSIDIARIES

We listed all relevant companies and the equity interests as below:

Holding Entity	Abbreviation	Equities interests owned by the Company
Goldlion Holdings Limited	the Company	
金利來(中國)有限公司	Goldlion (China)	100%
廣州市金利來投資諮詢有限公司	Guangzhou Goldlion Investment	100%
廣州金利來城市房產有限公司	Guangzhou Goldlion Urban	100%
梅州市金利來房地產開發有限公司	Meizhou Goldlion	100%
瀋陽金利來商廈有限公司	Shenyang Goldlion	100%
中國銀利來有限公司	Yinlilai	100%
Rich Smart Resources Limited	N/A	100%
Goldlion (Far East) Limited	N/A	100%
Renard Investments Limited	N/A	100%

VALUATION CERTIFICATE

PART A — PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC

				Market value in existing state as at the Valuation Date HKD															
No.	Property	Description and tenure	Particulars of occupancy																
1.	Goldlion Digital Network Centre (except unit no.808 on Level 8, unit no.1002 on Level 10, unit no.1202 on Level 12, unit no.1501 on Level 15, unit no.1702 on Level 17, unit nos1801-06 on Level 18 and unit nos. 1901-02 on Level 19), No. 136 & 138 Tiyu East Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	Goldlion Digital Network Centre is a 29-storey commercial/office building erected above 3 basement carpark and mezzanine basement completed in 1997. The property comprises three car park levels and one mezzanine level in basements with 250 car parking spaces, five commercial floors on 1 to 5 levels and various office units on 6th level to 31st levels of office floors of the building. According to the Real Estate Ownership Certificates, the gross floor area of the property is as below: <table><thead><tr><th>Level</th><th>Gross Floor Area sq.m. (approx.)</th><th>Use</th></tr></thead><tbody><tr><td>3 Basements carpark and Mezzanine</td><td>20,734.59</td><td>Carpark</td></tr><tr><td>levels 1 -5</td><td>13,894.63</td><td>Commercial</td></tr><tr><td>Levels 6-31 (various units)</td><td>38,776.10</td><td>Office</td></tr><tr><td>Total</td><td>73,405.32</td><td></td></tr></tbody></table>	Level	Gross Floor Area sq.m. (approx.)	Use	3 Basements carpark and Mezzanine	20,734.59	Carpark	levels 1 -5	13,894.63	Commercial	Levels 6-31 (various units)	38,776.10	Office	Total	73,405.32		As at the Valuation Date and according to the provided information, certain portion of the property with gross floor area of approximately 33,751 sq.m. was leased to various tenants at a total monthly rent of approximately 4,840,343 (before profits tax and exclusive of management fees) with the latest expiry date on 30 September 2030. The Carpark was leased on monthly/hourly basis with monthly rental income of RMB172,807 (before profits tax and exclusive of management fees, water and electricity charges.) in January 2025. The remaining portion of the property was either vacant or occupied by the Group.	1,191,400,000 (RMB1,123,990,000)
Level	Gross Floor Area sq.m. (approx.)	Use																	
3 Basements carpark and Mezzanine	20,734.59	Carpark																	
levels 1 -5	13,894.63	Commercial																	
Levels 6-31 (various units)	38,776.10	Office																	
Total	73,405.32																		
		Please refer to note 2 for details of the gross floor area.																	
		The land use rights of the property have been granted for a term of 50 years for office and car park uses and for a term of 40 years for commercial use, both commencing on 27 January 1997.																	

Notes:

1. Pursuant to various Real Estate Ownership Certificates of units 803, 804 and 805 on Level 8 of the Property, the ownership of these units is held by 金利來(中國)有限公司 (the “**Goldlion (China)**”, a wholly owned subsidiary of the Group) for a land use right term of 50 years from 27 January 1997 for office use as below:

Real Estate Ownership Certificates — Level/unit no. Yue Fang Di Zheng Zi Di Nos.		GFA (sq.m.)	Use	Issued date
803	C3280962	182.3100	Office	9-Dec-04
804	C3350061	202.2135	Office	9-Dec-04
805	C3288872	162.4600	Office	9-Dec-04

2. Pursuant to Real Estate Ownership Certificates of units 1703 on Level 17 and 2001 to 2310 on Levels 20 to 23 of the Property, the ownership is held by 廣州市金利來投資諮詢有限公司 (the “**Guangzhou Goldlion Investment**”, a wholly owned subsidiary of the Group) for a land use right term of 50 years from 27 January 1997 for office use as below:

Real Estate Ownership Certificate — Level/unit no. Yue Fang Di Zheng Zi Di No.		GFA (sq.m.)	Use	Issued date
1703	C6145309	182.3133	Office	20-Dec-08
2001	C6145289	101.9900	Office	19-Dec-08
2002	C6145326	161.0059	Office	20-Dec-08
2003	C6145324	149.4445	Office	20-Dec-08
2004	C6145318	150.0254	Office	20-Dec-08
2005	C6145317	140.1063	Office	20-Dec-08
2006	C6145319	140.1063	Office	20-Dec-08
2007	C6145298	152.5052	Office	19-Dec-08
2008	C6145297	136.1978	Office	19-Dec-08
2009	C6145322	121.6400	Office	20-Dec-08
2010	C6145325	97.3700	Office	20-Dec-08
2101	C6145272	101.9878	Office	19-Dec-08
2102	C6145282	161.0100	Office	19-Dec-08
2103	C6145278	149.4400	Office	19-Dec-08
2104	C6145281	150.0300	Office	19-Dec-08
2105	C6145283	140.1100	Office	19-Dec-08
2106	C6145284	140.1100	Office	19-Dec-08
2107	C6145285	152.5100	Office	19-Dec-08
2108	C6145286	136.2000	Office	19-Dec-08
2109	C6145288	121.6400	Office	19-Dec-08
2110	C6145287	97.3700	Office	19-Dec-08
2201	C6145316	101.9878	Office	20-Dec-08
2202	C6145307	161.0059	Office	19-Dec-08
2203	C6145320	149.4445	Office	20-Dec-08
2204	C6145308	150.0254	Office	20-Dec-08
2205	C6145265	140.1063	Office	18-Dec-08
2206	C6145311	140.1063	Office	20-Dec-08
2207	C6145276	152.5100	Office	19-Dec-08
2208	C6145277	136.2000	Office	19-Dec-08
2209	C6145279	121.6400	Office	19-Dec-08
2210	C6145280	97.3700	Office	19-Dec-08
2301	C6145315	101.9878	Office	20-Dec-08
2302	C6145264	161.0059	Office	18-Dec-08
2303	C6145296	149.4445	Office	18-Dec-08
2304	C6145294	150.0254	Office	19-Dec-08
2305	C6145314	140.1063	Office	20-Dec-08
2306	C6145313	140.1063	Office	20-Dec-08
2307	C6145295	152.5052	Office	18-Dec-08
2308	C6145323	136.1978	Office	20-Dec-08
2309	C6145266	121.6440	Office	18-Dec-08
2310	C6145312	97.3683	Office	20-Dec-08

3. Pursuant to various Real Estate Ownership Certificates of various units of the property, the ownership of these units is held by 廣州金利來城市房產有限公司 (the “Guangzhou Goldlion Urban”, a wholly owned subsidiary of the Group) for a land use right term of 50 years for office use and carpark use and 40 years for commercial use from 27 January 1997 as below:

Real Estate Ownership Certificates —			
Level/unit no.	Yue Fang Di Zheng Zi Di Nos.	GFA Use (sq.m.)	Issued date
Basement	C5936936	5,328.0400 Carpark	27-Sep-07
Mezzanine			
Basement 1	C5936937	4,754.9095 Carpark	27-Sep-07
Basement 2	C5936938	5,752.9334 Carpark	27-Sep-07
Basement 3	C5936939	4,898.7064 Carpark	27-Sep-07
Level 1	C5936940	2,371.8114 Commercial	27-Sep-07
Level 2	C5936935	2,707.7073 Commercial	27-Sep-07
Level 3	C5936934	3,027.7549 Commercial	27-Sep-07
Level 4	C5936933	2,743.5829 Commercial	27-Sep-07
Level 5	C5931898	3,043.7776 Commercial	27-Sep-07
Level 6	C6801826	2,009.1592 Office	21-Jul-08
Level 7	C6801827	2,011.5177 Office	21-Jul-08
801	C6801828	137.6893 Office	21-Jul-08
802	C6801829	118.4489 Office	21-Jul-08
803	C3280962	182.3100 Office	9-Dec-04
804	C3350061	202.2135 Office	9-Dec-04
805	C3288872	162.4600 Office	9-Dec-04
806	C6805643	286.9026 Office	25-Jul-08
807	C6805644	286.9026 Office	25-Jul-08
809	C6805645	111.7802 Office	25-Jul-08
810	C6805646	154.1001 Office	25-Jul-08
811	C6805647	147.0150 Office	25-Jul-08
812	C6805648	124.8355 Office	25-Jul-08
901	C6805649	137.6893 Office	25-Jul-08
902	C6805650	118.4489 Office	25-Jul-08
903	C6805651	182.3133 Office	25-Jul-08
904	C6805652	202.2135 Office	25-Jul-08
905	C6805653	162.4554 Office	25-Jul-08
906	C6805654	286.9026 Office	25-Jul-08
907	C6805655	286.9026 Office	25-Jul-08
908	C6805656	83.1366 Office	25-Jul-08
909	C6805657	111.7802 Office	25-Jul-08
910	C6805658	154.1001 Office	25-Jul-08
911	C6805659	147.0150 Office	25-Jul-08
912	C6805661	124.8355 Office	25-Jul-08
1001	C6805662	137.6893 Office	25-Jul-08
1003	C6805663	182.3133 Office	25-Jul-08
1004	C6805664	202.2135 Office	25-Jul-08
1005	C6802653	162.4554 Office	25-Jul-08
1006	C6802654	286.9026 Office	25-Jul-08
1007	C6802655	286.9026 Office	25-Jul-08
1008	C6802656	83.1366 Office	25-Jul-08
1009	C6802657	111.7802 Office	25-Jul-08
1010	C6802658	154.1001 Office	25-Jul-08
1011	C6802659	147.0150 Office	25-Jul-08
1012	C6802660	124.8355 Office	25-Jul-08
1101	C6802661	137.6893 Office	25-Jul-08
1102	C6806722	118.4489 Office	19-Jul-08
1103	C6802662	182.3133 Office	25-Jul-08
1104	C6802663	202.2135 Office	25-Jul-08

Real Estate Ownership Certificates — Level/unit no. Yue Fang Di Zheng Zi Di Nos.		GFA (sq.m.)	Use	Issued date
1105	C6802664	162.4554	Office	25-Jul-08
1106	C6801830	286.9026	Office	21-Jul-08
1107	C6801831	286.9026	Office	21-Jul-08
1108	C6801832	83.1366	Office	21-Jul-08
1109	C6801833	111.7802	Office	21-Jul-08
1110	C6801834	154.1001	Office	21-Jul-08
1111	C6801835	147.0150	Office	21-Jul-08
1112	C6801836	124.8355	Office	21-Jul-08
1201	C6801837	137.6893	Office	21-Jul-08
1203	C6801838	182.3133	Office	21-Jul-08
1204	C6801839	202.2135	Office	21-Jul-08
1205	C6801840	162.4554	Office	21-Jul-08
1206	C6805536	286.9026	Office	24-Jul-08
1207	C6805537	286.9026	Office	24-Jul-08
1208	C6805538	83.1366	Office	24-Jul-08
1209	C6805539	111.7802	Office	24-Jul-08
1210	C6805540	154.1001	Office	24-Jul-08
1211	C6805541	147.0150	Office	24-Jul-08
1212	C6805542	124.8355	Office	24-Jul-08
1301	C6805543	137.6893	Office	24-Jul-08
1302	C6805544	118.4489	Office	24-Jul-08
1303	C6802552	182.3133	Office	24-Jul-08
1304	C6802553	202.2135	Office	24-Jul-08
1305	C6802554	162.4554	Office	24-Jul-08
1306	C6802555	286.9026	Office	24-Jul-08
1307	C6802556	286.9026	Office	24-Jul-08
1308	C6802557	83.1366	Office	24-Jul-08
1309	C6802558	111.7802	Office	24-Jul-08
1310	C6802559	154.1001	Office	24-Jul-08
1311	C6802560	147.0150	Office	24-Jul-08
1312	C6802561	124.8355	Office	24-Jul-08
1502	C6801841	118.4489	Office	21-Jul-08
1503	C6801842	182.3133	Office	21-Jul-08
1504	C6801843	202.2135	Office	21-Jul-08
1505	C6801844	162.4554	Office	21-Jul-08
1506	C6806805	286.9026	Office	21-Jul-08
1507	C6806806	286.9026	Office	21-Jul-08
1508	C6806807	83.1366	Office	21-Jul-08
1509	C6806808	111.7802	Office	21-Jul-08
1510	C6806809	154.1001	Office	21-Jul-08
1511	C6806810	147.0150	Office	21-Jul-08
1512	C6806811	124.8355	Office	21-Jul-08
1601	C6806812	137.6893	Office	21-Jul-08
1602	C6805535	118.4489	Office	23-Jul-08
1603	C6806813	182.3133	Office	21-Jul-08
1604	C6806814	202.2135	Office	21-Jul-08
1605	C6806815	162.4554	Office	21-Jul-08
1606	C6806816	286.9026	Office	21-Jul-08
1607	C6806817	286.9026	Office	21-Jul-08
1608	C6798890	83.1366	Office	22-Jul-08
1609	C6803477	111.7802	Office	29-Jul-08
1610	C6803478	154.1001	Office	29-Jul-08
1611	C6803479	147.0150	Office	29-Jul-08
1612	C6803480	124.8355	Office	29-Jul-08
1701	C6803481	137.6893	Office	29-Jul-08

Real Estate Ownership Certificates —				
Level/unit no.	Yue Fang Di Zheng Zi Di Nos.	GFA (sq.m.)	Use	Issued date
1704	C6803482	202.2135	Office	29-Jul-08
1705	C6803483	162.4554	Office	29-Jul-08
1706	C6803484	286.9026	Office	29-Jul-08
1707	C6803485	286.9026	Office	29-Jul-08
1708	C6803486	83.1366	Office	29-Jul-08
1709	C6801825	111.7802	Office	21-Jul-08
1710	C6803487	154.1001	Office	29-Jul-08
1711	C6803488	147.0150	Office	29-Jul-08
1712	C6803489	124.8355	Office	29-Jul-08
1807	C6803490	286.9026	Office	29-Jul-08
1808	C6803491	83.1366	Office	29-Jul-08
1809	C6803492	111.7802	Office	29-Jul-08
1810	C6803493	154.1001	Office	29-Jul-08
1811	C6803494	147.0150	Office	29-Jul-08
1812	C6803495	124.8355	Office	29-Jul-08
1903	C6803496	182.3133	Office	29-Jul-08
1904	C6803497	202.2135	Office	29-Jul-08
1905	C6803498	162.4554	Office	29-Jul-08
1906	C6803499	286.9026	Office	29-Jul-08
1907	C6803500	286.9026	Office	29-Jul-08
1908	C6803001	83.1366	Office	29-Jul-08
1909	C6803002	111.7802	Office	29-Jul-08
1910	C6803003	154.1001	Office	29-Jul-08
1911	C6803004	147.0150	Office	29-Jul-08
1912	C6803005	124.8355	Office	29-Jul-08
2001	C6145289	101.9900	Office	19-Dec-08
2002	C6145326	161.0059	Office	20-Dec-08
2003	C6145324	149.4445	Office	20-Dec-08
2004	C6145318	150.0254	Office	20-Dec-08
2005	C6145317	140.1063	Office	20-Dec-08
2006	C6145319	140.1063	Office	20-Dec-08
2007	C6145298	152.5052	Office	19-Dec-08
2008	C6145297	136.1978	Office	19-Dec-08
2009	C6145322	121.6400	Office	20-Dec-08
2010	C6145325	97.3700	Office	20-Dec-08
2101	C6145272	101.9878	Office	19-Dec-08
2102	C6145282	161.0100	Office	19-Dec-08
2103	C6145278	149.4400	Office	19-Dec-08
2104	C6145281	150.0300	Office	19-Dec-08
2105	C6145283	140.1100	Office	19-Dec-08
2106	C6145284	140.1100	Office	19-Dec-08
2107	C6145285	152.5100	Office	19-Dec-08
2108	C6145286	136.2000	Office	19-Dec-08
2109	C6145288	121.6400	Office	19-Dec-08
2110	C6145287	97.3700	Office	19-Dec-08
2201	C6145316	101.9878	Office	20-Dec-08
2202	C6145307	161.0059	Office	19-Dec-08
2203	C6145320	149.4445	Office	20-Dec-08
2204	C6145308	150.0254	Office	20-Dec-08
2205	C6145265	140.1063	Office	18-Dec-08
2206	C6145311	140.1063	Office	20-Dec-08
2207	C6145276	152.5100	Office	19-Dec-08
2208	C6145277	136.2000	Office	19-Dec-08
2209	C6145279	121.6400	Office	19-Dec-08
2210	C6145280	97.3700	Office	19-Dec-08

Real Estate Ownership Certificates — Level/unit no. Yue Fang Di Zheng Zi Di Nos.		GFA (sq.m.)	Use	Issued date
2301	C6145315	101.9878	Office	20-Dec-08
2302	C6145264	161.0059	Office	18-Dec-08
2303	C6145296	149.4445	Office	18-Dec-08
2304	C6145294	150.0254	Office	19-Dec-08
2305	C6145314	140.1063	Office	20-Dec-08
2306	C6145313	140.1063	Office	20-Dec-08
2307	C6145295	152.5052	Office	18-Dec-08
2308	C6145323	136.1978	Office	20-Dec-08
2309	C6145266	121.6440	Office	18-Dec-08
2310	C6145312	97.3683	Office	20-Dec-08
2501	C6803006	101.9878	Office	29-Jul-08
2502	C6803007	161.0059	Office	29-Jul-08
2503	C6803008	149.4445	Office	29-Jul-08
2504	C6803009	150.0254	Office	29-Jul-08
2505	C6803010	140.1063	Office	29-Jul-08
2506	C6803011	140.1063	Office	29-Jul-08
2507	C6803012	152.5052	Office	29-Jul-08
2508	C6803013	136.1978	Office	29-Jul-08
2509	C6803014	121.6440	Office	29-Jul-08
2510	C6803015	97.3683	Office	29-Jul-08
2601	C6803016	101.9878	Office	29-Jul-08
2602	C6803017	161.0059	Office	29-Jul-08
2603	C6803018	149.4445	Office	29-Jul-08
2604	C6803019	150.0254	Office	29-Jul-08
2605	C6803020	140.1063	Office	29-Jul-08
2606	C6803021	140.1063	Office	29-Jul-08
2607	C6803022	152.5052	Office	29-Jul-08
2608	C6803023	136.1978	Office	29-Jul-08
2609	C6803024	121.6440	Office	29-Jul-08
2610	C6803025	97.3683	Office	29-Jul-08
2701	C6803026	101.9878	Office	29-Jul-08
2702	C6803027	161.0059	Office	29-Jul-08
2703	C6803028	149.4445	Office	29-Jul-08
2704	C6803029	150.0254	Office	29-Jul-08
2705	C6803030	140.1063	Office	29-Jul-08
2706	C6803031	140.1063	Office	29-Jul-08
2707	C6803032	152.5052	Office	29-Jul-08
2708	C6802665	136.1978	Office	25-Jul-08
2709	C6802666	121.6440	Office	25-Jul-08
2710	C6802667	97.3683	Office	25-Jul-08
2801	C6802668	101.9878	Office	25-Jul-08
2802	C6802669	161.0059	Office	25-Jul-08
2803	C6802670	149.4445	Office	25-Jul-08
2804	C6802671	150.0254	Office	25-Jul-08
2805	C6805660	140.1063	Office	25-Jul-08
2806	C6802672	140.1063	Office	25-Jul-08
2807	C6806819	152.5052	Office	21-Jul-08
2808	C6806818	136.1978	Office	21-Jul-08
2809	C6806820	121.6440	Office	21-Jul-08
2810	C6806821	97.3683	Office	21-Jul-08
Level 29	C6806822	1,299.6258	Office	21-Jul-08
Level 30	C6806823	1,299.6258	Office	21-Jul-08
Level 31	C6806824	1,299.6258	Office	21-Jul-08

4. A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate

Yes

5. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc., in the vicinity. The unit rent of these comparables on rentable area basis ranges between RMB200 per sq.m. to RMB600 per sq.m. per month for commercial (i.e. retail shop) property, RMB90 per sq.m. to RMB180 per sq.m. per month for office property and RMB1,000 to RMB1,300 per car parking space per month for car parking space.

Based on our market research in the Tianhe district, i.e. the same district where the property located, the stabilized market yield for street level retail shop with similar locality as the property within about 2 km from the property ranged from about 5.4% to 6.8%. The stabilized market yield for office premises which located in Tianhe district within 2 km from the property and with similar building age and building facilities as the property ranged about 5.6% to 6.4% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial and car park portion and 6% for office portion as the capitalization rate in the valuation.

6. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
- (i) Goldlion (China), Guangzhou Goldlion Investment and Guangzhou Goldlion Urban are the sole legal owner of their respective portions of the property held by them under respective Real Estate Ownership Certificates.
 - (ii) Goldlion (China), Guangzhou Goldlion Investment and Guangzhou Goldlion Urban are entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws for the respective portions of the property held by them; and
 - (iii) The property is free from mortgage compulsory requisition, seizure or any other third-party rights and interests.
7. For the purpose of this report, the property is classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Gross Floor Area (sq.m.)	Market value in existing state as at the Valuation Date (HKD)
Group I — held for owner occupation (unit W07 on Basement Mezzanine floor, units 104–105 and 108–19 on level 1, units 403 to 406 on level 4, level 6, units 801, 806–807 and 811–812 on level 8, units 903–907 on level 9 and level 31 of the property)	7,900.34	174,900,000
Group II—held for investment (remaining units of the property)	65,504.98	1,016,500,000
Total:	<u>73,405.32</u>	<u>1,191,400,000</u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
2.	Units 2407, 2607, 2608, 2807 and 2808, Block D1, No. 577 Tianhe North Road, Units 2507, 2508, 2607, 2707, 2807 and 2808, Block D2, No. 581 Tianhe North Road, Concord New World Garden, Tianhe District, Guangzhou, Guangdong Province, The PRC	The property comprises a total of 11 residential units within Block D1 of No.577 Tianhe North Road and Block D2 of No.581 Tianhe North Road of Concord New World Garden. Blocks D1 and D2 are two high-rise residential buildings completed in 2003. According to the 11 Real Estate Ownership Certificates of the Property, the total gross floor area is approximately 1,031.216 sq.m. The land use rights of the property have been granted for a term of 70 years commencing on 12 April 1999.	As at the Valuation Date, certain portion of the property with gross floor area of approximately 281.69 sq.m. was leased to various tenants at an aggregate monthly rent of RMB28,300 (before profits tax and exclusive of management fees) with the latest expiry date on 13 July 2025. The remaining portion of the property was either vacant or occupied by the Group.	40,030,000 (RMB37,760,000)

Notes:

- Pursuant to 11 Real Estate Ownership Certificates all dated 23 June 2004, the property, with a total gross floor area of approximately 1,031.216 sq.m. is held by Goldlion (China). The land use rights of the property have been granted for a term of 70 years commencing on 12 April 1999 for domestic use. Details of the gross floor area of the property is as below:

Real Estate Title Certificates	Unit	Gross Floor Area (sq.m.)
Yue Fang Di Zheng Zi Di Nos. C2851770	2407, Block D1	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851766	2607, Block D1	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851769	2608, Block D1	90.6146
Yue Fang Di Zheng Zi Di Nos. C2851767	2807, Block D1	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851768	2808, Block D1	90.6146
Yue Fang Di Zheng Zi Di Nos. C2851764	2507, Block D2	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851763	2508, Block D2	90.6146
Yue Fang Di Zheng Zi Di Nos. C2851762	2607, Block D2	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851761	2707, Block D2	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851765	2807, Block D2	95.5368
Yue Fang Di Zheng Zi Di Nos. C2851760	2808, Block D2	90.6146
		<u>1,031.216</u>

- A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate	Yes
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3. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc. in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB90 per sq.m. to RMB125 per sq.m. per month.

The property is located in Tianhe district of Guangzhou. Based on our research of residential developments in Tianhe and Yuexiu which are two of the most popular residential districts in Guangzhou, the stabilized market yield of the residential developments with similar building age and facilities as the property and located within 14 km from the property ranged from about 1.6% to 2.3% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 2% for the property as the capitalization rate in the valuation.

4. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
- (i) Goldlion (China) is the sole legal owner of the property.
 - (ii) Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
5. For the purpose of this report, the property is classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Gross Floor Area (sq.m.)	Market value in existing state as at the Valuation Date (HKD)
Group I — held for owner occupation (units 2608, 2808 of Block D1, and units 2607, 2707 and 2808 of Block D2 of the property)	462.9174	18,030,000
Group II — held for investment (units 2407, 2607, 2807 of Block D1, and units 2507, 2508 and 2807 of Block D2 of the property)	568.2986	22,000,000
Total:	1,031.216	40,030,000

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
3.	Unit 1003 (or 10C), Block B1, No. 852 Dongfeng East Road, Glorious City Garden, Yuexiu District, Guangzhou, Guangdong Province, The PRC	The property comprises one residential unit on 10th floor of a 32-storey buildings completed in 2001. According to the Real Estate Ownership Certificate, the gross floor area of the property is approximately 158.23 sq.m. The land use rights of the property have been granted for a term of 70 years commencing on 7 July 1998.	As at the Valuation Date, the property was leased at monthly rent of RMB15,000 (before profits tax and exclusive of management fees) with the expiry date on 9 December 2025.	6,740,000 (RMB6,360,000)

Notes:

- Pursuant to the Real Estate Ownership Certificate — Yue Fang Di Zheng Zi Di No. C2735669 dated 31 January 2004, the Property, with a gross floor area of approximately 158.23 sq.m. is held by Goldlion (China). The land use rights of the property have been granted for a term of 70 years commencing on 7 July 1998 for domestic use.
- A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate	Yes
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- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc. in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB90 per sq.m. to RMB150 per sq.m. per month.

The property is located in Yuexiu district of Guangzhou. Based on our research of residential developments in Tianhe and Yuexiu which are two of the most popular residential districts in Guangzhou, the stabilized market yield of the residential developments with similar building age and facilities as the property which located within 18km from the property ranged from about 1.6% to 2.3% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 2% for the property as the capitalization rate in the valuation.
- We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - Goldlion (China) is the sole legal owner of the property.
 - Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
- For the purpose of this report, the property is classified into the group as Group II — held for investment according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
4.	Levels 1–6, Yuan Village, No.36 and 38 Keyun Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	The property comprises levels 1–6 of an industrial building located in Tiahe district of Guangzhou completed in about 1998. According to Real Estate Ownership Certificate, the total gross floor area of the property is approximately 14,539.6 sq.m. The land use rights of the property have been granted for a term of 50 years commencing from 12 January 1998 for industrial use.	As at the Valuation Date, unit 101 on level 1 and whole of levels 2–6 with gross floor area of approximately 12,421.93 sq.m. was leased at a total monthly rent of RMB1,170,668 (before profits tax and exclusive of management fees) before profits tax) with the latest expiry date on 28 February 2027. Portion of level 1 of the property was occupied by the Group.	105,720,000 (RMB99,739,680)

Notes:

- Pursuant to the Real Estate Ownership Certificate — Yue Fang Di Zhang Zi Di No. C3294944 dated 6 December 2004, the property with a gross floor area of approximately 14,539.6 sq.m. is held by Goldlion (China). The land use rights of the land with a site area of approximately 2,154.71 was granted to Goldlion (China) Co., Limited for a term of 50 years commencing from 12 January 1998 for industrial use.

- A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate

Yes

- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc., in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB35 per sq.m. to RMB100 per sq.m. per month.

Based on our market research in the areas of Yuan Village, Long Dong and Sha He of Tianhe district within 20km of the property, the stabilized market yield of medium-rise industrial property with similar location characteristic of Yuan Village and similar age of the property ranged from about 5.4% to 6.8% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6% for the property as the capitalization rate in the valuation.

- We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:

- Goldlion (China) is the sole legal owner of the property.
- Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
- The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.

5. For the purpose of this report, the property is classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Gross Floor Area <i>(sq.m.)</i>	Market value in existing state as at the Valuation Date <i>(HKD)</i>
Group I — held for owner occupation (Portion of level 1 of the property)	2,117.67	13,640,000
Group II — held for investment (Unit 101 on level 1 and levels 2–6 of the property)	12,421.93	92,080,000
Total:	<u>14,539.60</u>	<u>105,720,000</u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
5.	Six units (101, 102, 103, 104, 105 and 106 of B Block) of Qiaoxinyuan located at No.46 Yandu Road Tianhe District Guangzhou City Guangdong Province The PRC	The property is located at No.46 Yandu Road, Tianhe District, Guangzhou City. It is about 10 minutes' driving distance to the Guangzhou East Railway Station. The locality is a well-developed residential area with mature and sophisticated infrastructural facilities. The property comprises six units (101, 102, 103, 104, 105 and 106 of B Block) of Qiaoxinyuan, which was completed in 1995. The property has a total gross floor area of approximately 606.33 sq.m.	As at the Valuation Date, the property was occupied by the Group.	No commercial value

Notes:

- Pursuant to six Property Pre-sale Agreements — Shi Guan Qi Zi Nos. 94023052, 94023053, 94023054, 94023055, 94023056 and 94022998, Goldlion (China) entered into agreements that pre-purchase the property with a total gross floor area of approximately 606.33 sq.m.
- We have been provided with the PRC Legal Opinion, which inter alia, contains the following:

Goldlion (China) did not complete the property registration procedures for the property and the transfer of real estate property rights cannot be effective. Therefore, Goldlion (China) does not enjoy the ownership of the property.
- In the valuation of the property, we have relied on the PRC Legal Opinion and attributed no commercial value to the property because Goldlion (China) did not register formalities of the property right and has not obtained title certificate of the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the Valuation Date would be RMB3,500,000 assuming the proper title certificates have been obtained and the property could be freely transferred by the Group.
- A summary of major certificates/approvals is shown as follows:

Building Ownership Certificate/Real Estate Title Certificate	No
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- For the purpose of this report, the property is classified into the group as “Group I — Property interests held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
6.	Units C11, C12, C18 and C20 on Level 1, Units C18, C19 and C20 on Level 2, Unit C18 and C20 on Level 3 of Block C, Units D01 and D26 on Level 1, Units D27 and D30 on Level 2 of Block D, Unit E17 on Level 1, Units E25 and E26 on Level 2 of Block E, Goldlion Fashion Walk, Jiangnan Binfang Da Dao, Meizhou, Guangdong Province, The PRC	The property comprises nine shop units on 1st floor, seven shop units on 2nd floor and one shop unit on 3rd floor within a 3-storey commercial building and two 2-storey commercial buildings of the development known as Goldlion Fashion Walk completed in about 2008. As advised by the instructing party, the total gross floor area of the property is approximately 4,793.47 sq.m. The land use rights of the land where the property erected thereof have been granted for a term of 70 years for residential use, 40 years for commercial use and 50 years for other uses commencing from 28 December 1999.	As at the Valuation Date, certain portion of the property with leased area of approximately 3,978.43 sq.m. was leased to various tenants at an aggregate monthly rent of RMB145,849 (before profits tax and exclusive of management fees) with the latest expiry date on 14 October 2029. The remaining portion of the property was either vacant or occupied by the Group.	40,560,000 (RMB38,260,000)

Notes:

- Pursuant to 2 State-owned Land Use Rights Certificate — Meizhou Shi Guo Yong 2006 Di Nos. 10453 and 10536 both dated 12 July 2006, the land use rights of two parcels of land of land lot nos. 140209020490 and 140209020608-1 with a total site area of approximately 47,619 sq.m., on which the property located, have been granted to 梅州金利來房地產開發有限公司 (“**Meizhou Goldlion**”, a wholly-owned subsidiary of the Group) for a term of 40 years for commercial use, 70 years for residential use and 50 years for other uses, commencing on 28 December 1999.
- Pursuant to 3 Title Certificates Nos. 008023 (for Block C), 008024 (for Block D) and 008029 (for Block E) all dated 28 February 2008 issued by Meizhou People’s Government (梅州市人民政府), the ownership of the three subject buildings, with a total gross floor area of approximately 9,486.78 sq.m. is held by Meizhou Goldlion. As advised by the Group, apart from the property with gross floor area of approximately 4,793.47 sq.m. is still held by the Group, the remaining portion of Block C, Block D and Block E of the development had been sold by the Group.
- A summary of major certificates/approvals is shown as follows:

State-owned Land Use Rights Certificate/Title Certificate	Yes
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- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc., in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB25 per sq.m. to RMB85 per sq.m. per month.

Based on our market research in the Mei Country in Meizhou, the district of the property located, the stabilized market yield of the street level shop within 8 km of the property and with similar location characteristic of the property ranged from 5.1% to 6.2% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 5.5% for the property as the capitalization rate in the valuation.

5. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
- (i) Meizhou Goldlion is the legal owner of the unsold portion of Blocks C, D and E of the development. (According to the Group, the unsold portion of Blocks C, D and E of the development is the property with gross floor area of approximately 4,793.47 sq.m.)
 - (ii) Meizhou Goldlion is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws for the respective portions of the property held by them; and
 - (iii) The property is free from mortgage compulsory requisition, seizure or any other third-party rights and interests.
6. For the purpose of this report, the property is classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Gross Floor Area (sq.m.)	Market value in existing state as at the Valuation Date (HKD)
Group I — held for owner occupation (Unit C20 – Level 3 of the property)	388.19	2,450,000
Group II — held for investment (Remaining units of the property)	4,405.28	38,110,000
Total:	<u>4,793.47</u>	<u>40,560,000</u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
7.	Shenyang Goldlion Commercial Building, No. 190 Zhong Jie Lu, Shenhe District, Shenyang, Liaoning Province, The PRC	The property comprises a 7-storey commercial building completed in about 1993. According to the Building Ownership Certificate, the gross floor area of the Property is approximately 16,367 sq.m. The land use rights of the property have been granted for a term expiring on 22 April 2048 for commercial use.	As at the Valuation Date, the property of leased area of approximately 16,270.1 sq.m. was leased to various tenants at an aggregate monthly rent of RMB1,113,606.33 (before profits tax and exclusive of management fees) plus turnover rent with the latest expiry date on 24 July 2030.	144,840,000 (RMB136,640,000)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate — Shen Yang Guo Yong 2008 Di No. 0111 dated 27 May 2008, the land use rights of a parcel of land of land lot no. 020701606 with a site area of approximately 5,379.1 sq.m., on which the property located, have been granted to 瀋陽金利來商廈有限公司 (“**Shenyang Goldlion**”, a wholly-owned subsidiary of the Group) for a term expiring on 22 April 2048 for commercial use.
- Pursuant to the Building Ownership Certificate — Fang Quan Zheng Shi Shen He Zi Di No. 11404 dated 13 September 2004, the ownership of the property, with a gross floor area of approximately 16,367 sq.m. is held by Shenyang Goldlion.
- A summary of major certificates/approvals is shown as follows:

State-owned Land Use Rights Certificate/Building Ownership Certificate	Yes
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- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc. in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB25 per sq.m. to RMB230 per sq.m. per month.

Based on our market research in Shenhe district of Shenyang, the district of the property located, the stabilized market yield of the street level shop within 7 km of the property and with similar location characteristic of the property ranged from 6.7% to 9% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 8.0% for the property as the capitalization rate in the valuation.

5. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - (i) Shenyang Goldlion is the sole legal owner the property.
 - (ii) Shenyang Goldlion is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
6. For the purpose of this report, the property is classified into the group as “Group II — held for investment” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
8.	Unit A-03 on Levels 1 and 2, Zone A-2 Dongcheng Centre, Dongcheng District, Dongguan, Guangdong Province, The PRC	The property comprises one shop unit on 1st and 2nd floors of Zone A-2 of a building known as Dongcheng Centre completed in 2006. According to the Real Estate Ownership Certificate, the gross floor area of the property is approximately 533.70 sq.m. The land use rights of the property have been granted for a term expiring on 31 December 2062 for commercial use.	As at the Valuation Date, the property was leased at monthly rent of RMB29,100 (before profits tax and exclusive of management fees,) with the expiry date on 15 May 2026.	12,040,000 (RMB11,360,000)

Notes:

- Pursuant to the Real Estate Ownership Certificate — Yue Fang Di Quan Zheng Guan Zi Di No. 0200649379, the ownership of the property, with a gross floor area of approximately 533.70 sq.m. is held by Goldlion (China). The land use rights of the property have been granted for a term expiring on 31 December 2062 for commercial use.
- A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate	Yes
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- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc. in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB70 per sq.m. to RMB140 per sq.m. per month.

Based on our market research in Dongcheng district of Dongguan, the district of the property located, the stabilized market yield of the street level shop within 3 km of the property and with similar location characteristic of the property ranged from 4.8% to 5.4% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 5.0% for the property as the capitalization rate in the valuation.
- We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - Goldlion (China) is the sole legal owner the property.
 - Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
- For the purpose of this report, the property is classified into the group as “Group II — held for investment” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
9.	Units 05 & 06 on Level 1, Block B3, Yuanda Shopping Plaza, No. 1333 Qunli Disi Da Dao, Daoli District, Harbin, Heilongjiang Province, The PRC	The property comprises two commercial units on 1st floor of a 28-storey building completed in 2013. According to the Building Ownership Certificates, the total gross floor area of the property is approximately 228.02 sq.m. for commercial use. The land use rights of the property is estimated to be expired in around 2050.	As at the Valuation Date, the property was leased to various tenants at an aggregate monthly rent of RMB12,821 (before profits tax and exclusive of management fees, water and electricity charges) with the latest expiry date on 31 December 2025	6,490,000 (RMB6,120,000)

Notes:

- Pursuant to 2 Building Ownership Certificates — Ha Fang Quan Zheng Shi Zi Di No. 1501007205 and 1501007206 both dated 8 April 2015, the ownership of the property, with a total gross floor area of approximately 228.02 sq.m. is held by Goldlion (China) for commercial use.

- A summary of major certificates/approvals is shown as follows:

Building Ownership Certificate

Yes

- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc. in the vicinity. The unit rent of these comparables on gross floor area basis ranges between RMB90 per sq.m. to RMB240 per sq.m. per month.

Based on our market research in Daoli district of Harbin, the district of the property located, the stabilized market yield of the street level shop within 5 km of the property and with similar location characteristic of the property ranged from 5.0% to 6% as at the Valuation Date.. Considering the location, risks and characteristics of the property, we have applied a market yield of 5.5% for the property as the capitalization rate in the valuation.

- We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:

- Goldlion (China) is the sole legal owner the property.
- Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
- The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.

- For the purpose of this report, the property is classified into the group as “Group II — held for investment” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
10.	Goldlion industrial Center located at No.8 Binfang Avenue Meijiang District Meizhou City Guangdong Province The PRC	The property is located at No.8 Binfang Avenue, Meijiang District, Meizhou City. It is about 5 minutes' driving distance to the Meizhou Station. The locality is a well-developed area with mature and sophisticated infrastructural facilities. The property comprises a parcel of land with a site area of approximately 64,580.00 sq.m with three industrial buildings and ancillary buildings known as Goldlion industrial Center, which was completed between 1995 to 2006. The property has a total gross floor area of approximately 38,720.64 sq.m. The land use rights of the property have been granted for a term expiring on 26 August 2043 for industrial use.	As at the Valuation Date, the property was occupied by the Group.	62,220,000 (RMB58,700,000)

Notes:

- Pursuant to four Real Estate Ownership Certificates and Supplementary Files — Yue Fang Di Chan Quan Zheng Di Nos. C3225345, C3225346, C3225347 and C3225349, the land use rights of a parcel of the land of the property with a site area of approximately 64,580.00 sq.m. have been granted to Goldlion (China) for a term expiring on 26 August 2043 for industrial use. The property with a total gross floor area of approximately 38,720.64 sq.m. are owned by Goldlion (China).
- A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate Yes
- In assessing the market value of the land portion of the property, we have identified and analyzed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The accommodation value of these comparable land sites ranges from RMB330 to RMB420 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to determine the assumed accommodation value for land portion of the property.

4. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - (i) Goldlion (China) is the sole legal owner the property.
 - (ii) Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
5. For the purpose of this report, the property is classified into the group as “Group I — Property interests held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
11.	Tsang Hin Chi Exhibition Hall located at No. 12-9 Yueyingtang Meijiang District Meizhou City Guangdong Province The PRC	The property is located at No. 12-9 Yueyingtang. It is about 20 minutes' driving distance to the Meizhou Station. The locality is a well-developed residential area with mature and sophisticated infrastructural facilities. The property comprises a parcel of land with a site area of approximately 2,588.00 sq.m and an exhibition hall building known as Tsang Hin Chi Exhibition Hall, which was completed in December 2024. The property has a total gross floor area of approximately 3,316.44 sq.m. The land use rights of the property have been granted for a term expiring on 23 August 2073 for cultural use.	As at the Valuation Date, the property was occupied by the Group.	59,780,000 (RMB56,400,000)

Notes:

- Pursuant to a Real Estate Title Certificate — Yue (2024) Mei Zhou Shi Bu Dong Chan Quan Di No. 0030350, the land use rights of the property with a site area of approximately 2,588.00 sq.m. have been granted to 中國銀利來有限公司 (“Yinlilai”, a wholly-owned subsidiary of the Group) for a term expiring on 23 August 2073 for cultural facility use and the gross floor area of the property is approximately 3,316.44 sq.m..
- A summary of major certificates/approvals is shown as follows:

Real Estate Title Certificate	Yes
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- In assessing the market value of the land portion of the property, we have identified and analyzed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The accommodation value of these comparable land sites ranges from RMB180 to RMB230 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to determine the assumed accommodation value for land portion of the property.

4. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - (i) Yinlilai is the sole legal owner the property.
 - (ii) Yinlilai is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws for the property held by them; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
5. For the purpose of this report, the property is classified into the group as “Group I — Property interests held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
12.	Units D1-601 and 602, Units D2-501 and 601, and car parking spaces D2-103 and 107, Goldlion City Garden, Goldlion Fashion Walk, Jiangnan Binfang Da Dao, Meizhou Shi, Guangdong Province The PRC	The property is located at No. 9 Lidu East Road. It is about 10 minutes' driving distance to the Meizhou Station. The locality is a well-developed residential area with mature and sophisticated infrastructural facilities. The property comprises four residential units and two car parking spaces of Goldlion City Garden, which was completed in June 2008. The property has a total gross floor area of approximately 1,058.79 sq.m. The classification, usage and gross floor area details of the property are set out in note 3. The land use rights of the property have been granted for a term expiring on 27 December 2069 for residential use.	As at the Valuation Date, the property was occupied by the Group.	7,950,000 (RMB7,500,000)

Notes:

- Pursuant to a State-owned Land Use Rights Certificate — Mei Zhou Shi Guo Yong (2006) Di No. 10453, the land use rights of the property with a site area of approximately 6,580.00 sq.m. have been granted to Meizhou Goldlion for a term expiring on 27 December 2069 for residential use.
- Pursuant to 2 Title Certificates — Nos. 10022820 and 10023205, the property with a total gross floor area of approximately 1,058.79 sq.m. is held by Meizhou Goldlion.
- According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	Nos. of car parking space
Group I — Property interests held for owner occupation	Residential	993.43	
	Car parking spaces	65.36	2
	Total:	1,058.79	2

4. A summary of major certificates/approvals is shown as follows:

State-owned Land Use Rights Certificate/Title Certificate

Yes

5. In undertaking our valuation, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The unit price of these comparable properties ranges from RMB6,000 to RMB8,000 per sq.m. for residential units and RMB120,000 to RMB170,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to determine the market value of the property.
6. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
- (i) Meizhou Goldlion is the sole legal owner of the property.
 - (ii) Meizhou Goldlion is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage compulsory requisition, seizure or any other third-party rights and interests.
7. For the purpose of this report, the property is classified into the group as “Group I — Property interests held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

				Market value in existing state as at 31 January 2025 HKD																											
No.	Property	Description and tenure	Particulars of occupancy																												
13.	Goldlion Garden located at the eastern side of Jincheng Avenue Mei County Meizhou City Guangdong Province The PRC	Goldlion Garden is located at the eastern side of Jincheng Avenue, Mei County, Meizhou City. It is well-served by public transportation with about 5 minutes' driving distance to Meizhou West Railway Station and about 18 minutes' driving distance to Meizhou Mei County Airport. The locality of the property is a well-developed residential area served with public facilities. Goldlion Garden occupies 2 parcels of land with a total site area of approximately 75,949 sq.m., which had been developed into a residential and commercial development in two phases and was completed during 2022 to 2025. The classification, usage and gross floor area details of the property, as at Valuation Date, were set out below:	As advised, the unsold residential units, 1,317 nos. of car parking spaces and portion (with approximately 9,120.64 sq.m.) of commercial/office units were vacant and to be sold in market, various commercial/office units with gross floor area of approximately 685.8 sq.m. and the day nursery were subject to various tenancies with a total rent of RMB18,815 (before profits tax and exclusive of management fees) per month with the latest expired on 29 May 2039. Cultural and Sports Activity Center and Sale Center were occupied by the Group.	899,680,000 (RMB848,756,000)																											
		<table><tr><th>Usage</th><th>Gross Floor Area (sq.m.)</th><th>No. of car parking spaces</th></tr><tr><td>Unsold Residential units — Villa</td><td>24,759.41</td><td></td></tr><tr><td>Unsold Residential units — Apartment</td><td>96,980.46</td><td></td></tr><tr><td>Commercial/Office</td><td>9,806.44</td><td></td></tr><tr><td>Car parking spaces</td><td>16,778.38</td><td>1,317</td></tr><tr><td>Day Nursery</td><td>2,664.91</td><td></td></tr><tr><td>Cultural and Sports Activity Center</td><td>1,717.14</td><td></td></tr><tr><td>Sale Center</td><td>550.15</td><td></td></tr><tr><td>Total:</td><td><u>153,256.89</u></td><td><u>1,317</u></td></tr></table>	Usage	Gross Floor Area (sq.m.)	No. of car parking spaces	Unsold Residential units — Villa	24,759.41		Unsold Residential units — Apartment	96,980.46		Commercial/Office	9,806.44		Car parking spaces	16,778.38	1,317	Day Nursery	2,664.91		Cultural and Sports Activity Center	1,717.14		Sale Center	550.15		Total:	<u>153,256.89</u>	<u>1,317</u>		
Usage	Gross Floor Area (sq.m.)	No. of car parking spaces																													
Unsold Residential units — Villa	24,759.41																														
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Car parking spaces	16,778.38	1,317																													
Day Nursery	2,664.91																														
Cultural and Sports Activity Center	1,717.14																														
Sale Center	550.15																														
Total:	<u>153,256.89</u>	<u>1,317</u>																													
		The land use rights of the property have been granted for terms expiring on 28 February 2084 for residential use and 28 February 2054 for commercial/office use.																													

Notes:

- Pursuant to a State-owned Construction Land Use Rights Grant Contract — No. GP2013-27, the land use rights of a parcel of land with a site area of approximately 75,949 sq.m. were contracted to be granted to Meizhou Goldlion for terms of 70 years for residential use and 40 years for commercial use commencing from 28 February 2014. The total land premium was RMB102,600,000.

2. Pursuant to 2 Construction Land Planning Permits — Nos. 2017-020 and 2017-021, permissions towards the planning of 2 parcels of land with a total site area of approximately 75,949 sq.m. have been granted to Meizhou Goldlion.
3. Pursuant to 2 State-owned Land Use Rights Certificates — Mei Fu Guo You (2015) Di Nos. 8 and 10, the land use rights of two parcels of land with a total site area of approximately 75,949 sq.m. have been granted to Meizhou Goldlion for terms expiring on 28 February 2084 for residential use and 28 February 2054 for commercial use.
4. Pursuant to 1,956 Real Estate Title Certificates, 1,956 unsold units of the property with a total gross floor area of approximately 112,701.74 sq.m. are owned by Meizhou Goldlion.
5. Pursuant to a Real Estate Title Certificates — Yue (2022) Mei Zhou Shi Mei Xian Qu Bu Dong Chan Quan Di No. 0022205, a Cultural and Sports Activity Center of the property with a total gross floor area of approximately 1,717.14 sq.m. are owned by Meizhou Goldlion.
6. Pursuant to a Real Estate Title Certificates — Yue (2022) Mei Zhou Shi Mei Xian Qu Bu Dong Chan Quan Di No. 0022206, a Sale Center of the property with a total gross floor area of approximately 550.15 sq.m. are owned by Meizhou Goldlion.
7. Pursuant to a Real Estate Title Certificates — Yue (2024) Mei Zhou Shi Mei Xian Qu Bu Dong Chan Quan Di No. 0015329, a day nursery of the property with a total gross floor area of approximately 2,664.91 sq.m. are owned by Meizhou Goldlion.
8. Pursuant to 125 Real Estate Title Certificates, the commercial/office portion of the property with a total gross floor area of approximately 9,806.44 sq.m. are owned by Meizhou Goldlion.
9. Pursuant to 40 Construction Work Planning Permits in favour of Meizhou Goldlion, Goldlion Garden with a total gross floor area of approximately 252,030.97 sq.m. have been approved for construction.
10. Pursuant to 40 Construction Work Commencement Permits in favour of Meizhou Goldlion, permissions by the relevant local authority were given to commence the construction of Goldlion Garden with a total gross floor area of approximately 252,030.97 sq.m.
11. Pursuant to 34 Pre-sale Permits in favour of Meizhou Goldlion, the Group is entitled to sell portions of Goldlion Garden (representing a total gross floor area of approximately 165,076.76 sq.m.) to purchasers.
12. Pursuant to 38 Building Measurement Reports in favour of Meizhou Goldlion, the construction of residential portions of Goldlion Garden with a total gross floor area of approximately 165,135.96 sq.m. has been completed and measured.
13. Pursuant to 9 Construction Work Completion Opinions in favour of Meizhou Goldlion, the construction of Goldlion Garden has been completed and passed the inspection acceptance.
14. As advised by the Group, 4 residential units with a total gross floor area of approximately 688.66 sq.m. in Group III of the property have been pre-sold to various third parties at a total consideration of approximately RMB4,220,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

15. A summary of major certificates/approvals is shown as follows:

a.	State-owned Construction Land Use Rights Grant Contract	Yes
b.	State-owned Land Use Rights Certificate	Yes
c.	Real Estate Title Certificate	Portion
d.	Construction Land Planning Permit	Yes
e.	Construction Work Planning Permit	Yes
f.	Construction Work Commencement Permit	Yes
g.	Pre-sale Permit	Yes
h.	Building Measurement Report	Portion
i.	Construction Work Completion Opinion	Portion

16. Our valuation has been made on the following basis and analysis:

- a. For the unsold residential units and car parking spaces, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,400 to RMB9,500 per sq.m. for residential units and RMB52,000 to RMB85,000 per lot for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to determine the market value of the property;
- b. For the Cultural and Sports Activity Center and Sale Center of the property, in assessing the market value of the land portion of these portion of property, we have identified and analyzed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The accommodation value of these comparable land sites ranges from RMB1,000 to RMB1,410 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to determine the assumed accommodation value for land portion of the property.
- c. For the commercial/office portion and day nursery of the property, we have considered the actual rents in the existing tenancy agreements and also compared the asking/transacted rental of property in market with similar characteristics of the property such as use, location and size, etc., in the vicinity. The unit rent of these comparables on rentable area basis ranges between RMB12 per sq.m. to RMB30 per sq.m. per month.

Based on our market research in the Mei Country in Meizhou, the district of the property located, the stabilized market yield of the street level shop within 8 km of the property and with similar location characteristic of the property ranged from 5.1% to 6.2% as at the Valuation Date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.0% for the property as the capitalization rate in the valuation.

17. We have been provided with the PRC Legal Opinion, which contains, *inter alia*, the following:

- (i) Meizhou Goldlion is the legal owner for the property.
- (ii) Meizhou Goldlion is entitled to freely occupy, use, lease, transfer, mortgage or handle the commercial/office portion, car parking spaces, day nursery, Cultural and Sports Activity Center, Sale Center and the apartment portion of unsold residential units of the property in other ways according to relevant PRC laws. These portions of the property are free from mortgage, compulsory requisition, seizure or any other third-party rights and interests; and
- (iii) The villa portion of the unsold residential units of the property can be marketed for external sale to third party by Meizhou Goldlion.

18. For the purpose of this report, the property is classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Gross floor area (sq.m.)	Nos. of car parking spaces	Market value in existing state as at the Valuation Date (HKD)
Group I — Property interests held for owner occupation (Cultural and Sports Activity Center and Sale Center of the property)	2,267.29	N/A	20,350,000
Group II — Property interests held for investment (Units 106 to 109 and 113 to 121 on level 1 and Unit 310 on level 3 of the commercial portion and the Day Nursery of the property)	4,140.06	N/A	10,810,000
Group III — Property interests held for sale (Unsold residential portion, car parking spaces and portion of commercial/office of the property)	<u>146,849.54</u>	<u>1,317</u>	<u>868,520,000</u>
Total:	<u><u>153,256.89</u></u>	<u><u>1,317</u></u>	<u><u>899,680,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
14.	Unit 2016 on Level 20 of Building B, Yuandong International Plaza No.317 Xianxia Road, Changning District, Shanghai City The PRC	Yuandong International Plaza is located at the intersection of Xianxia Road and Gubei Road, Changning District, Shanghai. The locality of Yuandong International Plaza is a mature developed area including many office, commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Gubei Road. The property comprises a unit on Level 20 of a 31-storey office building named Building B, Yuandong International Plaza which was completed in 1999. The property has a gross floor area of approximately 174.31 sq.m. The land use rights of the property have been granted for a term expiring on 19 August 2045 for composite use.	As at the Valuation Date, the property was occupied for office purpose.	6,150,000 (RMB5,800,000)

Notes:

- Pursuant to a Real Estate Ownership Certificate — Hu Fang Di Chang Zi (2015) Di No. 017467, the property with a gross floor area of approximately 174.31 sq.m. is owned by Goldlion (China) and the corresponding land use rights of the property have been granted for a term expiring on 19 August 2045 for composite use.
- A summary of major certificates/approvals is shown as follows:

Real Estate Ownership Certificate	Yes
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- In undertaking our valuation of the property, considering the time, location, size, usage, building quality and renovation level of the property, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property and the unit price of these comparable properties ranges from RMB30,000 to RMB35,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size, building age and other characters between the comparable properties and the property to determine the market value of the property.

4. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - (i) Goldlion (China) is the sole legal owner the property.
 - (ii) Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interests.
5. For the purpose of this report, the property is classified into the group as “Group I — Property interests held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
15.	Unit No. 43-5 of Yingli International Finance Center, located at No. 28 Minquan Road Yuzhong District, Chongqing, The PRC	Yingli International Finance Center is a composite commercial building which was completed in about 2012. The podium of Yingli International Finance Center is used for commercial operation, and the tower from Level 11 to 58 above ground is used for office use. It located in Jiefangbei business district, which is one of the traditional central business districts of Chongqing. There are many composite commercial projects around Yingli International Finance Center. The locality is a well-developed area where public facilities such as municipal facilities and amenities are all completed. The property comprises an office unit on Level 43 of Yingli International Finance Center. The gross floor area of the property is approximately 225.45 sq.m. The property was bought by the Company in 2018. The land use rights of the property have been granted for a term expiring on 20 December 2044 for other commercial and service uses.	As at the Valuation Date, the property was vacant.	2,440,000 (RMB2,300,000)

Notes:

- Pursuant to a Real Estate Title Certificate — Yu (2018) Yu Zhong Qu Bu Dong Chan Quan Di No. 000301515, an office unit with a gross floor area of approximately 225.45 sq.m. is owned by Goldlion (China). The un-apportioned site area of the property is approximately 8,927.20 sq.m. The land use rights have been granted for a term expiring on 20 December 2044 for other commercial and service uses.
- A summary of major certificates/approvals is shown as follows:

Real Estate Title Certificate Yes
- In undertaking our valuation of the property, considering the time, location, size, usage, building quality and renovation level of the property, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property and the unit price of these comparable properties ranges from RMB9,500 to RMB14,800 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size, building age and other characters between the comparable properties and the property to determine the market value of the property.

4. We have been provided with the PRC Legal Opinion, which inter-alia, contains the following:
 - (i) Goldlion (China) is the sole legal owner the property.
 - (ii) Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interest.
5. For the purpose of this report, the property is classified into the group as “Group I — held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
16.	Unit 1117 on Level 11, Guanghua Chang'an Plaza, No.7 Jianguomennei Avenue, Dongcheng District, Beijing, The PRC	Guanghua Chang'an Plaza is located on Jianguomennei Avenue, Dongcheng District, Beijing. The locality of Guanghua Chang'an Plaza is a mature developed area including many office, luxury hotels and commercial developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Chang'an Avenue. The property comprises a unit on Level 11 of a 19-storey office building named Guanghua Chang'an Plaza which was completed in 1996. The property has a gross floor area of approximately 265.7 sq.m. The land use rights of the property have been granted for a term expiring on 1 December 2043 for office use.	As at the Valuation Date, the property was occupied by the Group for office purpose.	7,000,000 (RMB6,600,000)

Notes:

- Pursuant to a Real Estate Title Certificate — Jing (2016) Dong Cheng Qu Bu Dong Chan Quan Di No. 0032772, the property with a gross floor area of approximately 265.7 sq.m. is owned by Goldlion (China) and the corresponding land use rights of the property have been granted for a term expiring on 1 December 2043 for office use.
- A summary of major certificates/approvals is shown as follows:

Real Estate Title Certificate	Yes
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- In undertaking our valuation of the property, considering the time, location, size, usage, building quality and renovation level of the property, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property and the unit price of these comparable properties ranges from RMB22,000 to RMB28,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size, building age and other characters between the comparable properties and the property to determine the market value of the property.

4. We have been provided with the PRC Legal Opinion, which *inter-alia*, contains the following:
 - (i) Goldlion (China) is the sole legal owner the property.
 - (ii) Goldlion (China) is entitled to freely occupy, use, lease, transfer, mortgage or handle the property in other ways according to relevant PRC laws; and
 - (iii) The property is free from mortgage, compulsory requisition, seizure or any other third-party rights and interest.
5. For the purpose of this report, the property is classified into the group as “Group I — held for owner occupation” according to the purpose for which it is held.

VALUATION CERTIFICATE

PART B — PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
17.	No. 3 Yuk Yat Street, To Kwa Wan, Kowloon, Hong Kong	The property comprises a 12-storey industrial building completed in 1971 and renovated in 2019.	As at the Valuation Date, the property with gross floor area of approximately 75,652 sq. ft. (7,028.24 sq.m.) was leased to various tenants at an aggregate monthly rent of HKD893,587 (before profits tax and part of the rent is inclusive of management fee) with the latest expiry date on 14 February 2028.	239,700,000
	Kowloon Inland Lot No. 9676	The property has a gross floor area of approximately 75,652 sq. ft. (7,028.24 sq.m.). The property is held under Conditions of Sale No. 9582 for a term of 75 years commencing from 17 November 1969 renewable for 75 years subject to payment of annual Government rent of HKD284.		

Notes:

- The registered owner of the property is Rich Smart Resources Limited vide Memorial No. UB8122978 dated 15 June 2000.
- As advised, the equity interests of Rich Smart Resources Limited is 100% held by the Company.
- Pursuant to our land search records, the property is subject to, inter alia, the following encumbrances:
 - No-Objection Letter vide Memorial No. UB5509167 dated 26 November 1992 (Re.: from the Government of Hong Kong by the District Lands Officer/Kowloon West); and
 - Modification Letter vide Memorial No. UB5509168 dated 26 November 1992.
- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with various relevant lease comparables of industrial properties in the region, which have similar characteristics of the property such as layout, size, characteristics, and condition, for the calculation of market rent.

The unit rent of these industrial lease comparables on rentable area basis ranges between HKD10.00 per sq. ft. per month to HKD12.00 per sq. ft. per month. This range reflects comparables from industrial buildings of similar grade and age to the subject property.

Based on our research on industrial market in To Kwa Wan and surrounding area, the stabilized market yield ranged from 3.75% to 5.25% as at the Valuation Date. Considering the specific location, risks and characteristics of the property, we have applied a market yield of 4.4% for the property as the capitalization rate in the valuation. This rate reflects the property's position within the observed yield range, taking into account its particular attributes and market position.
- For the purpose of this report, the property is classified into the group as "Group II, Property interests held for investment" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
18.	Factory Unit A on 5th Floor, Factory Unit D on 6th Floor, Factory Units A and B on 7th Floor, Factory Units A to D on 14th Floor and Car Parking Space No. S18 on Ground Floor, Ming Wah Industrial Building, Nos. 13-33 Wang Lung Street, Tsuen Wan, New Territories, Hong Kong 81/1,024th shares of and in Tsuen Wan Town Lot No. 134	The property comprises eight units on 5th to 7th and 14th floors and a car parking space on ground floor of a 24-storey (plus 1 mezzanine level) industrial building completed in 1979. The property has a gross floor area of approximately 34,857 sq. ft. (3,238.29 sq.m.). The property is held under New Grant No. 4740 for a term of 99 years commencing from 1 July 1898 and statutorily renewed until 30 June 2047 at nil premium but subject to payment of annual Government rent of 3% of rateable value for the time being of the property.	As at the Valuation Date, the property with gross floor area of approximately 34,857 sq. ft. (3,238.29 sq.m.) was leased to various tenants at an aggregate monthly rent of HKD330,572 (before profits tax and inclusive of management) with the latest expiry date on 31 July 2027.	86,900,000

Notes:

- The registered owner of the property is Goldlion (Far East) Limited with details as below:

Unit	Memorial No.	Date
Factory Unit A on 5th Floor	TW188463	31 December 1979
Factory Unit D on 6th Floor	TW555917	9 December 1988
Factory Unit A on 7th Floor	TW254706	7 July 1982
Factory Unit B on 7th Floor	TW438014	31 March 1987
Factory Units A and B on 14th Floor	TW700860	29 September 1990
Factory Unit C on 14th Floor	TW568293	24 January 1989
Factory Unit D on 14th Floor	TW588431	29 April 1989
Car Parking Space No. S18 on Ground Floor	TW195497	10 June 1980

- As advised, the equity interests of Goldlion (Far East) Limited is 100% held by the Company.
- Pursuant to our land search records, the property is subject to, inter alia, the following encumbrances:
 - Deed of Mutual Covenant vide Memorial No. TW179061 dated 21 June 1979;
 - Sub-Deed of Mutual Covenant vide Memorial No. TW185019 dated 8 November 1979 (Re.: for Portion A on 5th Floor only); and
 - Certificate of Compliance vide Memorial No. TW329604 dated 1 June 1979.

4. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with various relevant lease comparables of industrial properties in the region, which have similar characteristics of the property such as layout, size, characteristics, and condition, for the calculation of market rent.

The unit rent of these industrial lease comparables on rentable area basis ranges between HKD8.00 per sq.ft. per month to HKD9.50 per sq. ft. per month. This range reflects comparables from industrial buildings of similar grade and age to the subject property.

Based on our research on industrial market in Tsuen Wan and the surrounding area, the stabilized market yield ranged from 3.75% to 5.25% as at the Valuation Date. Considering the specific location, risks and characteristics of the property, we have applied a market yield of 4.4% for the property as the capitalization rate in the valuation. This rate reflects the property's position within the observed yield range, taking into account its particular attributes and market position.

5. For the purpose of this report, the property is classified into the group as "Group II, Property interests held for investment" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
19.	Unit B on 3rd Floor, Acro Industrial Building, No. 19 Yuk Yat Street, To Kwa Wan, Kowloon, Hong Kong 58/1,184th shares of and in Kowloon Inland Lot No. 9681	The property comprises a unit on the 3rd floor of a 12-storey (plus 1 basement level) industrial building completed in 1978. The property has a gross floor area of approximately 5,711 sq. ft. (530.56 sq.m.). The property is held under Conditions of Sale No. 9647 for a term of 75 years commencing from 23 March 1970 renewable for 75 years subject to payment of annual Government rent of HKD410.	As at the Valuation Date, the property with gross floor area of approximately 5,711 sq. ft. (530.56 sq.m.) was leased at monthly rent of HKD43,500 (before profits tax and inclusive of management fee) commencing on 10 January 2025 to 9 January 2027.	17,900,000

Notes:

- The registered owner of the property is Goldlion (Far East) Limited vide Memorial No. UB1557212 dated 14 July 1978.
- As advised, the equity interests of Goldlion (Far East) Limited is 100% held by the Company.
- Pursuant to our land search records, the property is subject to, inter alia, the following encumbrances:
 - Deed of Mutual Covenant vide Memorial No. UB1524950 dated 18 April 1978; and
 - Certified True Copy of Certificate of Compliance vide Memorial No. UB6181249 dated 3 April 1978.
- In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with various relevant lease comparables of industrial properties in the region, which have similar characteristics of the property such as layout, size, characteristics, and condition, for the calculation of market rent.

The unit rent of these industrial lease comparables on rentable area basis ranges between HKD10.50 per sq.ft. per month to HKD11.50 per sq. ft. per month. This range reflects comparables from industrial buildings of similar grade and age to the subject property.

Based on our research on industrial market in the surrounding area of the property, the stabilized market yield ranged from 3.5% to 5.0% as at the Valuation Date. Considering the specific location, risks and characteristics of the property, we have applied a market yield of 4.15% for the property as the capitalization rate in the valuation. This rate reflects the property's position within the observed yield range, taking into account its particular attributes and market position.

- For the purpose of this report, the property is classified into the group as "Group II, Property interests held for investment" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date HKD
20.	Goldlion Holdings Centre, Nos. 13–15 Yuen Shun Circuit, Sha Tin, New Territories, Hong Kong Sha Tin Town Lot No. 273	The property comprises an 8-storey industrial building completed in 1989. 1st, 6th and 7th floors are workshops and 2nd to 5th floors are warehouses. Use of canteen with kitchen is allowed on both 5th and 7th floor. As per the approved building plan, there are 16 lorry parking spaces, 15 private car parking spaces and 2 container parking spaces on Ground floor. The property has a total approved gross floor area of approximately 301,377 sq. ft. (27,998.61 sq.m.). The property is held under New Grant No. 12157 for a term commencing from 26 February 1987 and expiring on 30 June 2047 subject to payment of annual Government rent of 3% of rateable value for the time being of the lot.	As at the Valuation Date, the property with approximately 224,135 sq. ft. (20,822.84 sq. m.) was leased to various tenants at an aggregate monthly rent of HKD2,722,668 (before profits tax and part of the rent is inclusive of management fee) with the latest expiry date on 31 March 2028. The whole of 7th floor, together with 16 private car parking spaces and 2 lorry parking spaces on Ground floor were owner-occupied.	1,029,200,000

Notes:

- The registered owner of the property is Renard Investments Limited vide Memorial No. ST606425 dated 4 September 1991.
- As advised, the equity interests of Renard Investments Limited is 100% held by the Company.
- Pursuant to our land search records, the property is subject to, inter alia, the following encumbrances:
 - Occupation Permit No. NT48/89 vide Memorial No. ST472289 dated 21 March 1989;
 - Certificate of Compliance vide Memorial No. ST472290 dated 13 April 1989; and
 - Special Waiver Letter vide Memorial No. 18091400700057 dated 28 August 2018.
- The property is zoned for “Industrial (Group 1)” uses under the Approved Sha Tin Outline Zoning Plan No. S/ST/38 gazetted on 7 June 2024. Application to planning permission for revitalization of the property to proposed Wholesale Conversion of Building for “Office, Eating Place, Shop and Services” uses was approved on 20 November 2015 subject to conditions.

Such permission was valid until 20 November 2019. No update with regard to this planning application and/or approval was provided to us. Hence, we have assumed that the property was maintained in its existing state and use as at the Valuation Date.

5. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with various relevant lease comparables of industrial properties in the region, which have similar characteristics of the property such as layout, size, characteristics, and condition, for the calculation of market rent.

The unit rent of these industrial lease comparables on rentable area basis ranges between HKD9.50 per sq.ft. per month to HKD13.00 per sq. ft. per month. This range reflects comparables from industrial buildings of similar grade and age to the subject property.

Based on our research on industrial market in the surrounding area of the property, the stabilized market yield ranged from 3.75% to 5.25% as at the Valuation Date. Considering the specific location, risks and characteristics of the property, we have applied a market yield of 4.4% for the property as the capitalization rate in the valuation. This rate reflects the property's position within the observed yield range, taking into account its particular attributes and market position.

6. For the purpose of this report, the property is classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Gross floor area (sq.ft.)	Market value in existing state as at the Valuation Date (HKD)
Group I — held for owner occupation (7/F and G/F of the property)	52,976	180,700,000
Group II — held for investment (Remaining portion of the property)	248,401	848,500,000
Total:	<u>301,377</u>	<u>1,029,200,000</u>

Our Ref: KH:PKY:jr:250471

B. Property valuation report in respect of the property interests held by the Group in Singapore

The Board of Directors
Goldlion Holdings Limited
7/F Goldlion Holdings Centre,
13–15 Yuen Shun Circuit,
Siu Lek Yuen, Shatin, New Territories
Hong Kong

11 April 2025

Dear Sirs,

INSTRUCTION, PURPOSE AND VALUATION DATE

In accordance with your instructions to value the property interests held by **Goldlion Holdings Limited** (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the Republic of Singapore (the “**Singapore**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 31 January 2025 (the “**Valuation Date**”) for the purpose of incorporation in the composite scheme document jointly published by the Company and Grand Sunny Limited dated 11 April 2025.

VALUATION BASIS

Our valuation has been carried out on a market value basis. In accordance with International Valuation Standards (IVS), Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and The Hong Kong Institute of Surveyors (HKIS) Valuation Standards, market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION METHODOLOGY

We have valued the subject properties by the direct comparison approach assuming the sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the subject properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

VALUATION STANDARDS

This valuation has been prepared in accordance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited; Rule 11 of The Code on Takeovers and Mergers (the “**Takeovers Code**”) published by the Securities and Futures Commission; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines, the International Valuation Standards published by the International Valuation Standards Council and The HKIS Valuation Standards on Properties published by The Hong Kong Institute of Surveyors as required under Rule 11 of the Takeovers Code.

INDEPENDENCY OF THE VALUER

We certify that we are independent qualified valuer as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

INFORMATION SOURCE

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy and all other relevant matters.

TITLE INVESTIGATION

We have not been provided with copies of the title documents relating to the subject properties and have caused searches to be made at the Singapore Land Authority Integrated Land Information Service (“**INLIS**”). However, we have not searched the original documents to verify ownership or to ascertain any amendment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the subject properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

INSPECTION AND INVESTIGATIONS

We have inspected the exterior and, where possible, the interior of the subject properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects is satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the subject properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the subject properties was carried out on 18 February 2025 by Mr. Phang Ke Yuan, Senior Valuer with 7 years relevant experience in the valuations of similar properties in Singapore. He is a Probationer SISV.

The exchange rates adopted in our valuation are Singapore Dollar (“**SGD**”) 1 = Hong Kong Dollar (“**HKD**”) 5.70 for the subject properties, which were the exchange rate provided by Bloomberg as at the Valuation Date. Unless otherwise stated, all monetary amounts stated in our valuations are in SGD in respect of the subject properties.

POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which may arise from disposal of property in Singapore include the Seller’s Stamp Duty for industrial and residential properties. However, the subject properties do not fall into the category of industrial nor residential properties thus such Seller’s Stamp Duty is not applicable. Besides, the property seller is obligated to settle the outstanding Property Tax before the disposal, if any, which the tax rate for non-residential property is at 10% of the Annual Value.

As advised by the Group, the Group intends to hold the subject properties with no intention to dispose, therefore the likelihood of any relevant potential tax liabilities being crystalized is remote.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang Lasalle Property Consultants Pte Ltd. (“Jones Lang Lasalle”)

Kamal Hamdi
B.Sc. (Est. Mgt.), MSISV
Appraiser Licence No: AD41-2006388F
Head of Value and Risk Advisory, Singapore

Notes: Mr. Kamal Hamdi is a Licensed Valuer who has more than 30 years’ experience in the valuation and advisory services for similar properties in Singapore. He also has extensive track record across the South-East Asia and APAC region. Mr. Kamal Hamdi is a Licensed Appraiser under the Singapore Appraisers Act and is a Member of SISV.

SUMMARY OF VALUES

Property interests held by the Group in Singapore

Group I: Property interests held for owner occupation

Group II: Property interests held for investment

	Property	Market value in existing state as at the Valuation Date (HKD):	Market value in existing state as at the Valuation Date (SGD):
Group I	161 Kampong Ampat #02-01, part #02-02 and #02-03, Goldlion Building Singapore 368329	HKD41,667,000	S\$7,310,000
Group II	161 Kampong Ampat part #02-02, #04-01, #04-02 and #04-03, Goldlion Building Singapore 368329	HKD56,373,000	S\$9,890,000
	Total	HKD98,040,000	S\$17,200,000

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date SGD																								
Group I — Properties held by the Group for owner occupation in Singapore																												
1.	161 Kampong Ampat #02-01, part #02-02 and #02-03, Goldlion Building Singapore 368329	Goldlion Building is located along Kampong Ampat, off Macpherson Road and approximately 7 km from the city centre at Collyer Quay. It comprises a block of 6-storey light industrial building which contains a total of 16 strata-titled units. We understand that the building was completed circa 1980s.	As at the date of our site inspection, #02-01 and #02-03 were owner-occupied. Part of #02-02 was owner-occupied.	Group I — S\$7,310,000 (HKD41,667,000)																								
Group II — Properties held by the Group for investment in Singapore																												
2.	161 Kampong Ampat part #02-02, #04-01, #04-02 and #04-03, Goldlion Building Singapore 368329	The subject properties comprises 6 strata-titled factory units known as #02-01, #02-02, #02-03, #04-01, #04-02 and #04-03 within Goldlion Building. The site on which Goldlion Building stands is legally known as Lot 5994K Mukim 24 with a site area of 3,391.4 square metres (“sq.m.”). Based on our title searches within INLIS, the respective legal description and strata floor area of the subject properties are as follows: <table><tr><th>Unit No.</th><th>Legal Description (all of Mukim 24)</th><th>Strata Floor Area (sq.m.)</th></tr><tr><td>#02-01</td><td>Lot U20469P</td><td>429</td></tr><tr><td>#02-02</td><td>Lot U20470W</td><td>428</td></tr><tr><td>#02-03</td><td>Lot U20471V</td><td>404</td></tr><tr><td>#04-01</td><td>Lot U20460A</td><td>429</td></tr><tr><td>#04-02</td><td>Lot U20461K</td><td>428</td></tr><tr><td>#04-03</td><td>Lot U20462N</td><td>405</td></tr><tr><td>Total</td><td></td><td>2,523</td></tr></table> The tenure of the subject properties is Estate in Fee Simple (State Title No. Grant 44 dated 28 August 1855 contained in Subsidiary Strata Certificate of Title (“SSCT”) Volume 190 Folio 13, 14, 15, 19, 20 and 21 respectively).	Unit No.	Legal Description (all of Mukim 24)	Strata Floor Area (sq.m.)	#02-01	Lot U20469P	429	#02-02	Lot U20470W	428	#02-03	Lot U20471V	404	#04-01	Lot U20460A	429	#04-02	Lot U20461K	428	#04-03	Lot U20462N	405	Total		2,523	As at the date of our site inspection, #04-01 was vacant and part #02-02, #04-02 and #04-03 were leased to various tenants at an aggregate monthly rent of S\$18,445 with the latest expiry date on 14 July 2026.	Group II — S\$9,890,000 (HKD56,373,000) Total S\$17,200,000 (HKD98,040,000)
Unit No.	Legal Description (all of Mukim 24)	Strata Floor Area (sq.m.)																										
#02-01	Lot U20469P	429																										
#02-02	Lot U20470W	428																										
#02-03	Lot U20471V	404																										
#04-01	Lot U20460A	429																										
#04-02	Lot U20461K	428																										
#04-03	Lot U20462N	405																										
Total		2,523																										

Notes:

1. The registered proprietor of the subject properties are as follows:

Unit No.	Registered Proprietor
#02-01	
#02-02	Goldlion Enterprise (S) Pte Ltd*
#02-03	
#04-01	
#04-02	Goldlion Enterprise (Singapore) Pte Ltd*
#04-03	

**Note : wholly owned subsidiary of the Company*

2. Pursuant to our title search records, the subject properties are subject to, inter alia, the following encumbrances:

Restrictive covenants I/89221D for #02-01, I/89224D for #02-02 and I/89227D for #02-03 registered on 22 October 1987 respectively and I/20951D and I/20946D registered on 6 February 1986 for #04-01 and #04-02 respectively and I/17053D registered on 31 December 1985 for #04-03.

3. Goldlion Building is within an area zoned for Business 1 with a plot ratio of 2.5 based on the Master Plan Zoning (2019 edition). Under the Written Statement to the Master Plan (2019 Edition), these are areas used or intended to be used mainly for clean industry, light industry, public utilities and telecommunication use and other public installations for which the relevant authority does not impose a nuisance buffer greater than 50 metres.

4. Based on information provided to us, the tenancy details are as follows:

Unit No	Lettable Area sq.m.	Monthly Rental	Lease Start Date	Lease Expiry Date
#02-02	190.67 (part of unit)	S\$3,600	15 March 2024	14 March 2025
#04-02	428	S\$7,739	15 July 2024	14 July 2025
		S\$7,971	15 July 2025	14 July 2026
#04-03	405	S\$6,975	1 September 2023	31 August 2024
		S\$7,106	1 September 2024	31 August 2025

The stated monthly rental amounts exclude prevailing Goods and Services Tax (GST).

For #02-02, based on information provided, 190.67 sq.m. is let whilst the remaining 237.33 sq.m is owner-occupied. There is an option for further 12 months upon lease expiry at a mutual agreement of S\$3,800 (excluding GST) rental per month.

The monthly passing rents for part #02-02, #04-02 and #04-03 are considered to be generally in line with market rental rates.

5. For the purpose of this report, the subject properties are classified into the following group according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	Lettable Area <i>(sq.m.)</i>	Market value in existing state as at the Valuation Date <i>(SGD)</i>
Group I — held by the Group for owner occupation (#02-01, part #02-02 and #02-03)	1,070.33	S\$7,310,000
Group II — held by the Group for investment (part #02-02, #04-01, #04-02 and #04-03)	1,452.67	S\$9,890,000
Total:	2,523	S\$17,200,000

For the purpose of this report, we have apportioned the value for #02-02 by pro-rating its Market Value based on the respective areas. However, it must be stressed that this is an informal apportionment and do not necessarily represent the Market value of the respective separate components.

RESPONSIBILITY STATEMENT

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information with regard to the Proposal, the Scheme, the Offeror and the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that, to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Scheme Document (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

1. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date,

- (a) the Company did not have any authorized share capital, and the issued and paid-up share capital of the Company was HK\$1,101,357,687.46 which comprised 973,844,035 Shares in issue;
- (b) all of the Shares currently in issue ranked *pari passu* in all respects including as to capital, dividends and voting;
- (c) no Shares had been issued by the Company since 31 December 2024 (being the end of the last financial year of the Company) up to the Latest Practicable Date; and
- (d) there were no outstanding options, warrants or conversion rights affecting the Shares.

2. MARKET PRICES

The table below shows the closing market prices of the Shares as quoted on the Stock Exchange (i) on the Latest Practicable Date; (ii) on the Last Trading Day and (iii) on the last Business Day of each of the calendar months during the Relevant Period:

Date	Closing Price (HK\$)
28 June 2024	0.96
31 July 2024	0.99
30 August 2024	0.9
30 September 2024	0.9
31 October 2024	0.88
21 November 2024 (the Last Trading Day)	1.22
29 November 2024	1.22
31 December 2024	1.43
28 January 2025	1.43
28 February 2025	1.45
31 March 2025	1.48
8 April 2025 (the Latest Practicable Date)	1.46

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.48 per Share on 31 March 2025, 2 April 2025 and 3 April 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.83 per Share on 18 November 2024.

3. DISCLOSURE OF INTERESTS IN THE SHARES

As at the Latest Practicable Date:

- (a) the Offeror did not hold any Shares, and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the total number of Shares in issue, details of which are set out in the table in the section headed “6. Shareholding Structure of the Company” in the Explanatory Statement in Part VI of this Scheme Document;
- (b) save as disclosed in sub-paragraph (a) above, none of the Offeror, its sole director or the Offeror Concert Parties owned or had control or direction over any Shares or any options, warrants, derivatives or securities convertible into Shares;
- (c) save as disclosed in sub-paragraph (a) above, none of the Directors were interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

- (d) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (e) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
- (f) no fund manager connected with the Company managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis;
- (g) neither the Company nor any Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (h) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between the Offeror or any of the Offeror Concert Parties, and any person; and
- (i) none of the Offeror and the Offeror Concert Parties had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

4. DEALINGS IN THE SHARES

During the Relevant Period,

- (a) no Director had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of Shares; and
- (b) none of the Offeror, the sole director of the Offeror and the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

During the period commencing on 17 December 2024 (being the Announcement Date) and ending on the Latest Practicable Date,

- (a) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (c) no fund manager (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

5. DISCLOSURE OF INTERESTS IN THE OFFEROR’S SHARES

As at the Latest Practicable Date:

- (a) Mr. Tsang, being an executive Director, was the sole shareholder and sole director of the Offeror; and
- (b) save as disclosed above, none of the Company and the Directors were interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.

6. DEALINGS IN OFFEROR’S SHARES

During the Relevant Period, neither the Company nor any Directors had dealt for value in any shares of the Offeror, or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.

7. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

As at the Latest Practicable Date:

- (a) (i) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal and (ii) the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (b) save for the Proposal, there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any of the Offeror Concert Parties and any Director, recent Director, Shareholder or recent Shareholder having any connection with or being dependent upon the Proposal;
- (c) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties was a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a Condition;
- (d) none of the Offeror and the Offeror Concert Parties had received an irrevocable commitment to vote for or against (i) the Scheme at the Court Meeting; or (ii) the special resolution to be proposed at the General Meeting;
- (e) other than the Cancellation Price, the Offeror or the Offeror Concert Parties had not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares; and
- (f) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder and (ii)(1) the Offeror and Offeror Concert Parties, or (ii)(2) the Company, its subsidiaries or associated companies.

8. ARRANGEMENTS AFFECTING THE DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation required under applicable laws) would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (b) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal; and
- (c) there was no material contract entered into by the Offeror in which any Director has a material personal interest.

9. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which are in force and which (i) (including both continuous and fixed-term contracts) had been entered into or amended within 6 months before the Announcement Date; (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period.

10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in or may become a party to any litigation or arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

11. MATERIAL CONTRACTS

As at the Latest Practicable Date, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years before the Announcement Date and up to and including the Latest Practicable Date.

12. EXPERTS AND CONSENTS

The following are the qualifications of the experts which have given advice which is contained in this Scheme Document:

Name	Qualification
Altus Capital	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
GF Capital	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Somerley Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	an independent professional property valuer
Jones Lang LaSalle Property Consultants Pte Ltd	an independent professional property valuer

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of its opinion, report and/or letter (as the case may be) and/or the references to its name and/or its opinion, report and/or letter in the form and context in which they respectively appear.

13. MISCELLANEOUS

- (a) The registered office of the Offeror is at 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.
- (b) Principal members of the Offeror Concert Parties include Mr. Tsang, Madam Wong, Top Grade, Silver Disk, Keysonic Development and THC Charities Management, and their correspondence address is at 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong. For more information on the Offeror Concert Parties, please refer to the section headed “9. *Information on the Offeror and the Offeror Concert Parties*” in the Explanatory Statement set out in Part VI of this Scheme Document.
- (c) The registered office of the Company is situated at 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.
- (d) The Registrar is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (e) The principal office of business of GF Capital is at 27/F, GF Tower, 81 Lockhart Road, Wanchai, Hong Kong.
- (f) The principal office of business of Somerley Capital is at 20/F, China Building, 29 Queen’s Road Central, Hong Kong.
- (g) The principal office of business of Altus Capital is at 21 Wing Wo Street, Central, Hong Kong.
- (h) The company secretary of the Company is Mr. Kam Yiu Kwok, who is a fellow member of each of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.
- (i) The English language text of this Scheme Document shall prevail over the Chinese language text.

14. DOCUMENTS ON DISPLAY

A copy of the following documents will be available on display on the website of the Company at www.goldlion.com and on the website of the SFC at www.sfc.hk from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is the earlier:

- (a) the articles of association of the Offeror;
- (b) the articles of association of the Company;
- (c) the annual reports of the Company for each of the years ended 31 December 2022 and 31 December 2023;
- (d) the annual results announcement of the Company for the year ended 31 December 2024;
- (e) the letter from the Board, the text of which is set out in Part III of this Scheme Document;
- (f) the letter from the Independent Board Committee, the text of which is set out in Part IV of this Scheme Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out in Part V of this Scheme Document;
- (h) the property valuation report issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in section A of Appendix II to this Scheme Document;
- (i) the property valuation report issued by Jones Lang LaSalle Property Consultants Pte Ltd, the text of which is set out in section B of Appendix II to this Scheme Document;
- (j) the written consents referred to in the section headed “12. *Experts and Consents*” in this Appendix III; and
- (k) this Scheme Document.

HCMP No. 307/2025

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 307 OF 2025**

**IN THE MATTER OF
GOLDLION HOLDINGS LIMITED
金利來集團有限公司**

AND

**IN THE MATTER OF
THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

**SCHEME OF ARRANGEMENT
Under Section 673 of the Companies Ordinance
Chapter 622 of the Laws of the Hong Kong Special Administrative Region**

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$1.5232 for every Scheme Share cancelled pursuant to the Scheme, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash. Unless otherwise stated, reference to the Cancellation Price in the Scheme Document is to the amount of HK\$1.5232 per Share, without taking into account any Dividend Adjustment
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“Company”	Goldlion Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 533)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “5. Conditions of the Proposal and the Scheme” of the Explanatory Statement of the Scheme Document
“Director(s)”	the director(s) of the Company
“Dividend Adjustment”	an amount being all or any part of the amount or value of any dividend, distribution and/or return of capital which may be announced, declared or paid in respect of the Scheme Shares after the Latest Practicable Date (provided that the record date to be announced by the Board for determining the entitlements to such dividend, distribution and/or return of capital falls on a day which is on or before the Effective Date), which the Offeror has reserved the right to reduce the Cancellation Price by subject to consultation with the Executive
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Explanatory Statement”	the explanatory statement in relation to the Proposal, the text of which is set out in Part VI of the Scheme Document, which constitutes the statement required under section 671 of the Companies Ordinance
“GF Capital”	GF Capital (Hong Kong) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Offeror in relation to the Proposal
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent committee of the Board formed to advise the Independent Shareholders in connection with the Proposal and the Scheme, and comprising the non-executive Director and all the independent non-executive Directors, namely Mr. Ng Ming Wah, Charles, Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Shareholders”	all Shareholders, other than the Offeror and the Offeror Concert Parties
“Latest Practicable Date”	8 April 2025, being the latest practicable date prior to the date of the Scheme Document for the purpose of ascertaining certain information contained in the Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Long Stop Date”	30 September 2025 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court on application of the Company may allow and in all cases, as permitted by the Executive)
“Mr. Tsang”	Mr. Tsang Chi Ming, Ricky, the executive Director, chairman and chief executive officer of the Company, and the sole shareholder and sole director of the Offeror
“New Shares”	the new Shares to be issued to the Offeror pursuant to this Scheme, the number of which is equal to the number of the Scheme Shares cancelled
“Offeror”	Grand Sunny Limited, a company incorporated under the laws of Hong Kong with limited liability, which was wholly-owned by Mr. Tsang as at the Latest Practicable Date

“Offeror Concert Parties”	any party(ies) acting in concert, or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code including, without limitation, Mr. Tsang, Madam Wong Lei Kuan, Top Grade Holdings Limited, Silver Disk Limited, Keysonic Development Limited and Tsang Hin Chi Charities (Management) Limited
“Proposal”	the proposal for the privatization of the Company by the Offeror by way of the Scheme, and the withdrawal of listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in the Scheme Document
“Register”	the register of members of the Company
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Scheme”	this scheme of arrangement proposed under section 673 of the Companies Ordinance for the implementation of the Proposal (with or subject to any modification thereof or condition approved or imposed by the High Court) between the Company and the Scheme Shareholders involving, inter alia, the cancellation of all the Scheme Shares and the issue of the New Shares to the Offeror
“Scheme Document”	the composite scheme document dated 11 April 2025 issued jointly by the Company and the Offeror to the Shareholders, containing details of this Scheme
“Scheme Record Date”	Thursday, 26 June 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	Share(s) other than those beneficially owned or held by the Offeror (if any) and the Offeror Concert Parties
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company

“Shareholder(s)”	registered holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2014, which had lapsed upon the expiry of its term on 22 May 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“%”	per cent.

- (B) As at the Latest Practicable Date, the issued and paid-up capital of the Company was HK\$1,101,357,687.46 which comprised 973,844,035 Shares in issue.
- (C) No options are outstanding under the Share Option Scheme and the Share Option Scheme had lapsed on 22 May 2024.
- (D) As at the Latest Practicable Date, the Offeror did not hold any Shares, and the Offeror Concert Parties beneficially owned, controlled or had direction over 669,529,500 Shares in aggregate, representing approximately 68.75% of the issued Shares. Shares held by the Offeror Concert Parties will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.
- (E) The Offeror is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, its sole shareholder and sole director was Mr. Tsang.
- (F) The Offeror has agreed to undertake to the High Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of or to give effect to this Scheme.
- (G) The primary purpose of this Scheme is to privatize the Company by cancelling all the Scheme Shares held by the Scheme Shareholders on the Effective Date. Immediately after the cancellation of the Scheme Shares, the share capital of the Company will be increased to its former amount by the issue of the New Shares to the Offeror, credited as fully paid, and that the Company will become wholly-owned by the Offeror and the Offeror Concert Parties.

PART I

CANCELLATION OF THE SCHEME SHARES

1. On the Effective Date:
 - (a) the issued share capital of the Company shall be reduced by cancelling all the Scheme Shares;

- (b) subject to and forthwith upon such reduction of the share capital referred to in paragraph 1(a) above taking effect, the share capital of the Company shall be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of New Shares as is equal to the number of Scheme Shares cancelled; and
- (c) the Company shall apply the entire amount of the credit arising in its books of account as a result of the reduction of share capital referred to in paragraph 1(a) above in paying up in full such number of New Shares as is equal to the number of Scheme Shares cancelled which shall be allotted and issued to the Offeror, credited as fully paid.

PART II

CONSIDERATION FOR CANCELLATION OF THE SCHEME SHARES

- 2. Subject to the Scheme becoming binding and effective in accordance with its terms, in consideration of the cancellation of the Scheme Shares, the Offeror shall pay or cause to be paid to each Scheme Shareholder as appearing in the Register on the Scheme Record Date, the Cancellation Price of HK\$1.5232 for each Scheme Share cancelled.

PART III

GENERAL

- 3. (a) As soon as possible and but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to the Scheme Shareholders cheques in respect of the sums payable to such Scheme Shareholders pursuant to paragraph 2 of this Scheme.
- (b) All such cheques shall be sent by ordinary post (by airmail where appropriate) in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses as appearing in the Register as on the Scheme Record Date, or in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (d) All cheques will be posted at the risk of the persons entitled and none of the Offeror, the Offeror Concert Parties, the Company, GF Capital, Somerley Capital, Altus Capital and the Registrar and their respective beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

- (e) On or after the day being six (6) calendar months after the date of posting of the cheques for the payment of the Cancellation Price pursuant to paragraph 3(b) of this Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or which has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee). The Offeror (or its nominee) shall hold monies represented by such uncashed cheques until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of this Scheme to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto and the cheques referred to in paragraph 3(b) of this Scheme of which they are payees have not been cashed. Any payments made by the Offeror shall not include an interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
 - (f) On the expiry of six (6) years from the Effective Date, the Offeror (and, if applicable, its nominee or successor company) shall be released from any further obligation to make any payments under this Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest (if any) subject, if applicable, to any deduction of interest, tax or any withholding tax or any other deduction required by law and expenses incurred.
 - (g) The preceding sub-paragraphs of this paragraph 3 shall take effect subject to any prohibition or condition imposed by law.
4. As from and including the Effective Date:
- (a) all share certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, as applicable, this Scheme shall become effective as soon as an office copy of the order of the High Court sanctioning this Scheme (with or without modification) and confirming, under Section 229 of the

Companies Ordinance, the reduction of share capital of the Company provided for by the Scheme, together with a minute and a return relating to the reduction of share capital of the Company containing the particulars required by Section 230 of the Companies Ordinance, shall have been delivered to and registered by the Registrar of Companies under Part 2 of the Companies Ordinance.

6. Unless this Scheme shall have become effective on or before the Long Stop Date, this Scheme shall lapse.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme or to any condition which the High Court may see fit to approve or impose without any further court meeting to be held therefor.
8. Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Proposal shall be borne by the Offeror. Despite the fact that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, the Offeror and the Company have agreed that, in the event that the Scheme is not approved at the Court Meeting by the Scheme Shareholders or not sanctioned by the High Court, all costs, charges and expenses incurred by the Company and the Offeror in respect of the Scheme and the Proposal will be borne by the Offeror.

11 April 2025

HCMP No. 307/2025

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 307 of 2025

IN THE MATTER OF

GOLDLION HOLDINGS LIMITED
金利來集團有限公司

AND

IN THE MATTER OF
THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION

SCHEME OF ARRANGEMENT
Under Section 673 of the Companies Ordinance,
Chapter 622 of the Laws of the Hong Kong Special Administrative Region

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated 1 April 2025 (the “**Order**”) made in the above matters, the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) has directed that a meeting of the holders of the Scheme Shares (as defined in the Scheme referred to below) (the “**Court Meeting**”) be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made between Goldlion Holdings Limited 金利來集團有限公司 (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme referred to below) and that the Court Meeting will be held at 10:00 a.m. on Friday, 9 May 2025 (Hong Kong time) at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme and a copy of the explanatory statement (the “**Explanatory Statement**”) explaining the effect of the Scheme, required to be furnished pursuant to section 671 of the Companies Ordinance, are incorporated in the composite scheme document dated 11 April 2025 (the “**Scheme Document**”) and sent to the shareholders of the Company, of which this notice forms part. A copy of the Scheme Document can also be obtained by any person entitled to attend the Court Meeting during usual business hours on any day prior to the day appointed for the Court Meeting (other than a Saturday, a Sunday or a public holiday in Hong Kong) from the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. The Scheme Document is also available on the website of the Company at www.goldlion.com from Friday, 11 April 2025 onwards.

In compliance with the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Shares beneficially owned or held by the Offeror (if any) and parties acting in concert (as defined in the Takeovers Code) with it may not be voted at the Court Meeting. Only shares held by the Scheme Shareholders are eligible for voting thereat.

Scheme Shareholders may vote in person at the Court Meeting, or they may appoint another person, whether a member of the Company or not, as their proxy or proxies to attend and vote in their stead. A **PINK** form of proxy for use at the Court Meeting is enclosed with the Scheme Document. If more than one proxy is appointed, the number of shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy.

Where there are joint registered holders of any share of the Company, any one of such persons may vote at the Court Meeting, either personally or by proxy, in respect of such share(s) as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the Court Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.

It is requested that **PINK** form of proxy appointing proxies, together with the power of attorney (if any) or other authority (if any) under which they are signed or a notarially certified copy thereof (in the case of a corporation either under its seal or under the hand of an officer or attorney duly authorized), must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Court Meeting, or in any case of any adjournment thereof, not less than 48 hours before the time appointed for the holding of such adjourned meeting. If the **PINK** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting before the taking of the poll, who shall have absolute discretion as to whether or not to accept it.

Completion and return of the form of proxy will not preclude a Scheme Shareholder from attending the Court Meeting or any adjournment thereof and voting in person. In such event, his/her/its form of proxy shall be deemed to be revoked.

For the purpose of determining the entitlement to attend and vote at the Court Meeting, the register of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive (or such other dates as the shareholders of the Company may be notified by announcement). During such period, no transfer of shares will be effected. In order to qualify to vote at the Court Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Friday, 2 May 2025 (or such other date as the shareholders of the Company may be notified by announcement).

By the same Order, the High Court has appointed Mr. Li Ka Fai, David or, failing him, Mr. Ng Ming Wah, Charles or, failing him, Ms. Lo Wing Sze, all being directors of the Company, to act as chairman of the Court Meeting, and has directed the chairman to report the result of it to the High Court.

If approved at the Court Meeting, the Scheme will be subject to the subsequent sanction of the High Court as set out in the Explanatory Statement contained in the Scheme Document.

Dated this 11th day of April 2025

WOO KWAN LEE & LO

Solicitors

26th Floor, Jardine House

1 Connaught Place, Central

Hong Kong

Solicitors to

GOLDLION HOLDINGS LIMITED

Note:

If there is a "black" rainstorm warning or a tropical cyclone warning signal No. 8 or above or extreme conditions in force at or after 8:00 a.m. on Friday, 9 May 2025 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on Friday, 9 May 2025 that any of the above mentioned warnings is to be issued within the next two hours, the Court Meeting shall automatically be postponed to the next Business Day (as defined in the Scheme Document) on which no "black" rainstorm warning or tropical cyclone warning signal No. 8 or above is hoisted and no extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case the Court Meeting shall be held at 10:00 a.m. on that Business Day at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong. For the avoidance of doubt, the Court Meeting will be held as scheduled even when a tropical cyclone warning signal No. 3 or below is hoisted or an amber or red rainstorm warning signal is in force. Holders of Scheme Shares should make their own decision as to whether to attend the Court Meeting under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.

As at the date of this notice, the board of directors of the Company comprises Mr. Tsang Chi Ming, Ricky (Chairman and Chief Executive Officer) as an executive director; Mr. Ng Ming Wah, Charles as a non-executive director; and Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny as independent non-executive directors.



金利來

GOLDLION HOLDINGS LIMITED**金利來集團有限公司***(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)***(Stock Code: 00533)****NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**General Meeting**”) of Goldlion Holdings Limited (the “**Company**”) will be held at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13–15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Friday, 9 May 2025 at 10:15 a.m. (Hong Kong time) (or as soon as practicable after the conclusion or adjournment of the meeting of the holders of Scheme Shares (as defined in the Scheme as referred to below) convened at the direction of the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) for the same day and place (the “**Court Meeting**”) for the purposes of considering and, if thought fit, passing, the following resolutions:

ORDINARY RESOLUTION

1. To re-elect Mr. Chan Kwong Ming, Johnny as an independent non-executive director of the Company and to authorize the board of directors of the Company to fix his remuneration.

SPECIAL RESOLUTION

2. “**THAT:**
 - (a) the proposed scheme of arrangement dated 11 April 2025 under section 673 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print contained in the composite scheme document dated 11 April 2025 (the “**Scheme Document**”) which has been produced to this General Meeting, a print of which has for the purpose of identification been signed by the chairman of this General Meeting and marked “A”, with any modification of or addition to it, or any term or condition, as may be approved or imposed by the High Court (as defined in the Scheme), be and is hereby approved; and

- (b) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme):
- (i) the issued share capital of the Company be reduced by cancelling the Scheme Shares (as defined in the Scheme);
 - (ii) subject to and forthwith upon such reduction of share capital taking effect, the share capital of the Company be increased to its former amount by the issue to Grand Sunny Limited (the “**Offeror**”), credited as fully paid, of the same number of new shares of the Company (the “**New Shares**”) as is equal to the number of Scheme Shares (as defined in the Scheme) cancelled; and
 - (iii) the Company shall apply the entire amount of the credit arising in its books of account as a result of the aforesaid reduction of share capital in paying up in full the New Shares which shall be allotted and issued, credited as fully paid, to the Offeror, and the directors of the Company be and are hereby unconditionally authorized to allot and issue the same accordingly; and
- (c) the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) be withdrawn, subject to the Scheme taking effect; and
- (d) the directors of the Company be and are hereby unconditionally authorized to do all acts and things and/or sign such documents as considered by them to be necessary or desirable for or in connection with the implementation of the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of the shares of the Company on the Stock Exchange, subject to the Scheme taking effect; (ii) the reduction of share capital of the Company; (iii) the allotment and issue of the New Shares; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the High Court may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary or desirable for or in connection with the implementation of the Scheme and in relation to the proposed privatization of the Company by the Offeror by way of the Scheme as a whole.”

By order of the Board
Goldlion Holdings Limited
Kam Yiu Kwok
Company Secretary

Hong Kong, 11 April 2025

Registered office:
7th Floor
Goldlion Holdings Centre
13–15 Yuen Shun Circuit
Siu Lek Yuen
Shatin
New Territories
Hong Kong

Notes:

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Scheme shall have the same meanings when used in this notice.
2. At the General Meeting, the chairman of the General Meeting will put forward the above resolutions to be voted on by way of poll.
3. A white form of proxy for use at the General Meeting is enclosed with the Scheme Document.
4. A member of the Company entitled to attend and vote at the General Meeting shall be entitled to appoint another person as his proxy to attend and to speak and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
5. In order to be valid, the white form of proxy appointing proxies, together with the power of attorney (if any) or other authority (if any) under which they are signed or a notarially certified copy thereof (in the case of a corporation either under its seal or under the hand of an officer or attorney duly authorized), must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof. Completion and return of the white form of proxy will not preclude a member from attending and voting in person at the General Meeting or any adjournment thereof. In the event that a member attends and votes at the General Meeting after having lodged his/her/its form of proxy, his/her/its form of proxy shall be deemed to be revoked.
6. If there is a "black" rainstorm warning or a tropical cyclone warning signal No. 8 or above or extreme conditions in force at or after 8:00 a.m. on Friday, 9 May 2025 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on Friday, 9 May 2025 that any of the above mentioned warnings is to be issued within the next two hours, the General Meeting shall automatically be postponed to the next Business Day (as defined in the Scheme Document) on which no "black" rainstorm warning or tropical cyclone warning signal No. 8 or above is hoisted and no extreme conditions are in force between the hours from 8:00 a.m. to 10:00 a.m. and in such case the General Meeting shall be held at 10:15 a.m. on that Business Day (or as soon as practicable after the conclusion or adjournment of the Court Meeting) at the Main Conference Room, 7th Floor, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong. For the avoidance of doubt, the General Meeting will be held as scheduled even when a tropical cyclone warning signal No. 3 or below is hoisted or an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether to attend the General Meeting under bad weather conditions bearing in mind their own situation and, if they should choose to do so, they are advised to exercise care and caution.
7. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the General Meeting, either personally or by proxy, in respect of such share(s) as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the General Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
8. For the purpose of determining the entitlement to attend and vote at the General Meeting, the register of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025 (both days inclusive) (or such other dates as the shareholders of the Company may be notified by announcement). During such period, no transfer of the Shares will be effected. In order to qualify to attend and vote at the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Friday, 2 May 2025 (or such other date as the Shareholders may be notified by announcement).
9. In case of any inconsistency between the Chinese translation and English text of this notice, the English text shall prevail.

As at the date of this notice, the board of directors comprises Mr. Tsang Chi Ming, Ricky (Chairman and Chief Executive Officer) as an executive Director; Mr. Ng Ming Wah, Charles as a non-executive Director; and Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny as independent non-executive Directors.